

ANNE HENDERSON

JOSEPH
LYONS

The People's Prime Minister

JOSEPH LYONS

ANNE HENDERSON is deputy director of The Sydney Institute, which she has operated with her husband, Gerard Henderson, a well-known political commentator, since 1989. She also edits *The Sydney Papers Online* and co-edits *The Sydney Institute Quarterly*. Anne Henderson is the author of *From All Corners: Six Migrant Stories* (1993), *Educating Johannah: A Year in Year 12* (1995), *Mary MacKillop's Sisters: A Life Unveiled* (1997), *Getting Even: Women MPs on Life, Power and Politics* (1999), *The Killing of Sister Irene McCormack* (2002) and *An Angel in the Court: The Life of Major Joyce Harmer* (2005). Among her essays of note are 'Dad's wake' in *Fathers: In Writing* (1997) and the biographical chapter on Prime Minister Joe Lyons for *Australian Prime Ministers*, edited by Michelle Grat-tan (2000), and the UK's *New Dictionary of National Biography*. She was a contributing editor with Ross Fitzgerald of *Partners* (1999). In 2008, she published a biography of Dame Enid Lyons, *Enid Lyons: Leading Lady to a Nation*.



*For Molly Anne,
born International Women's Day 2011*

A NewSouth book

Published by
NewSouth Publishing
University of New South Wales Press Ltd
University of New South Wales
Sydney NSW 2052
AUSTRALIA
newsouthpublishing.com

© Anne Henderson 2011
First published 2011

10 9 8 7 6 5 4 3 2 1

This book is copyright. Apart from any fair dealing for the purpose of private study, research, criticism or review, as permitted under the Copyright Act, no part of this book may be reproduced by any process without written permission. Inquiries should be addressed to the publisher.

National Library of Australia

Cataloguing-in-Publication entry

Author: Henderson, Anne, 1949–

Title: Joseph Lyons: The people's prime minister/by Anne Henderson.

ISBN: 9 781 74223 142 6 (hbk.)

Subjects: Lyons, J A (Joseph Aloysius), 1879–1939.

Prime ministers – Australia – Biography.

Australia – Politics and government – 20th century.

Dewey Number: 994.04092

Design Josephine Pajor-Markus

Cover photo National Library of Australia

Inside front cover photo Home Hill Museum, Devonport

Printer Everbest

All reasonable efforts were taken to obtain permission to use copyright material reproduced in this book, but in some cases copyright could not be traced. The author welcomes information in this regard.

This book is printed on paper using fibre supplied from plantation or sustainably managed forests.



Contents

Preface *vii*

In brief *1*

1 The boy from the island *11*

2 A political education *31*

3 Member for Wilmot *56*

4 A partner for life *77*

5 A party at war *97*

6 Leading Labor *119*

7 Alternative premier *141*

8 Mr Premier *154*

9 The worm turns *172*

10 Welcome to Canberra *193*

11 Caucus wars *214*

12 Exile *237*

13 Striking a match *259*

14 Going in to bat *284*

15 Lyons and the Great Depression *312*

16	Prime Minister at large	332
17	Trade winds	356
18	The royal box	378
19	Peace and war	389
20	Dying days	409
	Epilogue	429
	Select bibliography	434
	Acknowledgments	443
	Index	448



Preface

This is the first full biography of Joseph Aloysius Lyons ('J A Lyons' on signed documents, but known affectionately as 'Joe'), Tasmanian Labor Premier (1923–28) and United Australia Party Prime Minister of Australia from 6 January 1932 until 7 April 1939. Lyons achieved the remarkable feat of becoming the first Australian Prime Minister to win and survive three consecutive federal elections – all the more remarkable for having happened during depression years. Only Billy Hughes had served longer as prime minister, by just two weeks. With Bob Hawke, Lyons was Australia's most popular long-serving prime minister; but Lyons has also been its most forgotten.

Asked to contribute the Joe Lyons chapter to Michelle Grattan's *Australian Prime Ministers* in 1999, I came to the Lyons story with curiosity and genuine disbelief that one so highly acclaimed in the Australian story during his life could be so unacknowledged in print. As the Catholic father of twelve, and both premier and prime minister, Lyons had not made it into Edmund Campion's *Australian Catholics*. His deeds appeared mostly in the lives of others or as a presence in the memoirs of his highly achieving wife, Dame Enid Lyons. He had even been dismissed for decades by political opponents and left-leaning academia as of no particular moment – a nice chap but ineffectual.

The Lyons mythmaking included historian Manning Clark's

description that Lyons had been noble on the surface but ‘at a deeper level he had the cunning and skill of a people who, for hundreds of years, had been striving for survival against a more powerful foe’. Manning Clark later apologised to Enid Lyons for his ‘imprudent’ words. Stuart Macintyre, in his *Oxford History of Australia Volume 4, 1901–1942*, concludes that Lyons was ‘neither innovative nor assertive’, while at the same time maintaining he had ‘shrewdness’ and ‘toughness’ to outsmart rivals and negotiate around the ambitions of the Country Party. Macintyre includes many of the worn views about Lyons that have hidden the achievements of 1930s Australia. He also confuses Lyons’ November 1930 dispute with the Labor caucus over financial policy, while Acting Treasurer, with his resignation from the Labor Party on 13 March 1931.

As this book will show, in November 1930, Lyons left Canberra, abruptly and in anger, with colleagues thinking he had resigned his ministry. But he had simply returned home to Devonport to await a cable of support from Labor PM Jim Scullin, who was in the UK. The cable arrived. Lyons’ resignation from the Labor Party in March 1931 was a considered and carefully planned move. Speaking against the government’s bill to introduce legislation sanctioning the printing of money, Lyons made an emotional and memorable speech. His decision to vote against his party, and hence remove himself from the Labor caucus, was no hasty one. He had agonised for weeks. Macintyre fails to record all this.

The dismissive approach to Lyons has continued to the present day. In *Sinners, Saints and Settlers: A Journey Though Irish Australia*, published by the National Museum of Australia Press with a foreword by the Hon. Kevin Rudd MP, Richard Reid and Brendan Kelson include Prime Minister Joe Lyons as another prime minister of Irish extraction following some two pages covering PM Jim Scullin and PM Stanley Bruce (who would have regarded himself as British not Irish). Lyons gets a bare six lines and his chief achievement seems to be that he became a Labor ‘rat’ by moving to the conservative side

of politics. Then there is *Stanley Melbourne Bruce: Australian Internationalist*, in which author David Lee concludes that under Lyons ‘public confidence in the federal institutions of government diminished significantly’. In fact, the Lyons governments took Australia to relative prosperity and faith in good government, back from the brink of financial collapse and the civil unrest that had developed under NSW Premier Jack Lang. As world war threatened again in 1939, Australians trusted their federal institutions as never before. The fledgling Commonwealth had settled under Lyons. New South Wales no longer dominated as it had with Jack Lang.

A handful of scribes kept the Lyons story afloat. Dame Enid Lyons wrote two memoirs and kept the documents. Her belief in history and the printed word have stood the test of time. In 2008, I published the first full biography of Dame Enid Lyons – *Enid Lyons: Leading Lady to a Nation*. This contains the other part of the Lyons story, as well as an account of Enid Lyons’ careful preservation of the Lyons legacy for future historians. Beyond this, the seminal work on Lyons owes much to two historians: Richard Davis on the Tasmanian Workers Political League and Tasmanian Labor, and Philip Hart, who began work on Lyons for a PhD thesis when much of the Lyons material was stored in unsorted boxes at Enid Lyons’ residence Home Hill in Devonport. Philip Hart made contact with Staniforth Ricketson of J B Were and Son, and discovered the importance of a handful of concerned citizens in the financial world of 1931. They engineered Joe Lyons’ entry to the conservative side of politics, founded a new political party – the United Australia Party – and made Joe Lyons its leader. Neither Hart nor Davis supported the conservative side of politics, yet both recognised the importance of Joe Lyons.

Against such a backdrop this biography was researched. Since the work of Hart and Davis, Kate White and David Bird have looked at Joe Lyons anew. White’s *A Political Love Story: Joe and Enid Lyons* captures the power-couple personality of the Lyons years, while

Bird, in *J A Lyons – The ‘Tame Tasmanian’*, has written the definitive record of foreign policy during the Lyons governments, demonstrating complex and significant involvements. This biography goes further, charting the story of Joe Lyons the individual as well as revisiting and reviewing the economic history of the efforts made by governments to face the 1930s Depression.

Joe Lyons’ life story has been overlooked for too long. His early death left his legacy adrift; his wife’s political achievements after his death and her popularity overshadowed the amiable but authoritative figure Lyons presented. As well, Lyons’ history was diminished by rancour left from the bitter Labor split in 1930–31. NSW Premier Jack Lang destroyed Labor credibility, but left many of his supporters to vent their anger at Lyons. When interviewed for the ABC’s 1966 ‘Mister Prime Minister’, Frank Green, former clerk of the House of Representatives, concluded that Lyons’ greatest task had been to ‘deal with J T Lang’. But in dealing with Lang and leaving Labor, Lyons sealed his fate with prevailing intellectual fashions for some decades. This biography examines the man Lyons became, and the full life he lived – a truly Australian story.



In brief

He was Australia's Depression Prime Minister, elected while unemployment levels neared 30 per cent. He was the father of ten at the time, his wife Enid a partner in his political activism. They were a couple who needed no spin doctors to craft them as salt-of-the-earth Australian family folk. But Lyons' victory in 1931 was his own, achieved while his wife and children remained in faraway Tasmania for most of the campaign, with no telephone connection to the mainland. And it was an election landslide, requiring only a few hours for a result. Before midnight, after the close of polls at 8 pm on 19 December 1931, Joe Lyons had become the tenth person to be elected Australian Prime Minister.

With just four shopping days until Christmas, as broadsheets advertised the yuletide bargains, Australians threw out the Labor Government of Jim Scullin, replacing it with a fresh-faced conservative team led by former Labor Minister and Acting Treasurer Joseph Aloysius Lyons – a Tasmanian and former Labor premier, a Catholic of Irish background now leading the heavily Protestant and Masonic conservatives, a Labor man from his earliest political leanings in the first decade of Federation until he walked from the federal caucus in March 1931.

Across Australia the effects of an historic global depression had forced communities into financial crisis. Added to this was

Australia's indebtedness, which had sent the economy into a dive before other nations. Economist S J Butlin calculated that by 1928–29, fixed government obligations in Australia represented 70 per cent of all payments, a much higher proportion than before the Depression of the 1890s. Australian media catalogued depression suicides, to be found as tiny reports in lower sections of broadsheets, sometimes even the death of a wife fearing her husband would lose his job. Alongside these, however, business advertised as always. In 1931, Victoria's Warburton chalet, in the *Argus*, offered paying couples a weekend of pleasure to escape the Depression. A large minority of Australians became dispossessed through 1929–34, but many more citizens held on, safe enough to survive even if worried about the future. Investments continued, albeit in reduced amounts. Incomes fell for those in work, but most people were not destitute. Christmas advertisements to entice spending were more numerous than ever that December.

The 1931 election was Australia's third federal election in the space of just three years, since November 1928 when the conservative Bruce Government had scraped home in spite of huge government debt, a rapid fall in commodity prices for wool and wheat, and industrial strikes crippling industry. Less than a year later, however, the Bruce Government lost its numbers in the House and voters handed an historic victory to Labor. Prime Minister Stanley Bruce lost his seat and Australian Labor won its largest ever victory. Labor opposition leader Jim Scullin had personally invited Joe Lyons, then Tasmanian state Labor leader, to move to federal politics for that triumphant campaign. Lyons had accepted, won the seat of Wilmot in northern Tasmania and arrived in Canberra in November 1929 to be sworn in as the new Postmaster-General. And after just nine months in government, Lyons suddenly found himself in the role of Acting Treasurer.

But within two years and in spite of high hopes, Scullin's landslide victory was swept away. The Great Depression, a global credit crisis and Australia's accumulated and crippling debts fractured

Scullin's Labor team, which imploded under the stress of managing finances during a global crisis. In New South Wales, Labor's idiosyncratic and dissembling Premier Jack Lang led his federal MP supporters into a separate Labor Party as he fought Canberra and tried to hijack the caucus.

As Rodney Cavalier succinctly analyses in *Power Crisis*, Billy Hughes' split with Labor in 1916 had cast the broader Labor membership into the hands of what were then called industrialists – or majority union control. This shift of power, in turn, produced Jack Lang, the NSW Labor leader whom Rodney Cavalier describes as 'serious evil'. And a man 'obsessed with centralising power in his person and within his immediate reach'. Lang's attempt at control of federal Labor, through his dominance of Labor's Central Executive, disrupted Scullin's authority and eroded federal Treasurer Theodore's support in New South Wales. In March 1931, reacting directly to Lang's pseudo-economic histrionics, Joe Lyons and former acting PM Jim Fenton, with four other federal Labor MPs, walked from the caucus. Most of the Lyons Labor dissidents soon aligned themselves with the conservative opposition.

In early May 1931, Joe Lyons was installed as the leader of a new conservative party named in the uncertain times as the United Australia Party. Industrial unrest and strikes had failed, and depression had thrown workers to the dole queues or forced the lucky ones to accept work with reduced pay and conditions. Investors and small business operators watched their savings dwindle or become inadequate. Anger found an outlet among concerned citizens groups rallying to install stable government able to restore sound financial management. By December, Joe Lyons had brought an end to Labor's 1929 hopes and dreams, the very hopes and dreams Lyons himself had once shared. As a fitting symbol of the state of play at this time, Stanley Bruce won back his seat of Flinders at the 1931 election, even without a chance to return from London for the campaign. Indeed, as the Melbourne *Herald* opined on 31 October:

Mr Lyons is as much the leader of one group as he is of another, because he is the leader of a national living movement.

That living movement sprang out of the Depression and the responses of middle Australia to the uncertainty and confusion around economists' theories for handling the financial crisis. It also came with heightened concern, at times even hysteria, over Labor's inability to give any confidence to ordinary Australians that their livelihoods were safe or that the economy would recover.

Labor had become dysfunctional during the Scullin years. Beset by divisions around idealistic notions of income redistribution and taking on 'money-lenders', the ALP federal caucus and wider ALP organisation failed to handle the practical needs of running a nation. The party increasingly looked inwards while it tried to handle the ambitions of two men in particular. Ted Theodore, a former Queensland premier who had moved to a NSW federal seat, was Scullin's ambitious Treasurer until forced to resign in July 1930 in order to face the Mungana Mine inquiry over government money given to a Queensland investor. Then, as Theodore languished on the back benches during the latter part of 1930, NSW Labor demagogue Jack Lang strengthened his grip on the federal caucus through the actions of his federal MP supporters.

Shortly after Lang won the NSW election on 25 October 1930, his supporters in caucus took on Acting Prime Minister Jim Fenton and Acting Treasurer Joe Lyons over monetary policy. Prime Minister Scullin was in the UK, requiring a five-month absence from home. The Langites' tactics undermined Lyons' and Fenton's loyalty to Scullin, who continued to instruct from the UK that no inflationary measures should be tolerated. The Langites' tactics were open and confrontational. They also stirred Theodore to return to Canberra and back his own plan for expansionary policy. In all of this, Lang had forced the caucus to the left. In response, Theodore would soon force Scullin there as well. On his

return to Canberra in January 1931, Scullin reinstated Theodore as Treasurer in spite of the Mungana Mine inquiry still hanging over Theodore's head. Lyons and Fenton left the Scullin Cabinet over the move, as well as in reaction to Theodore's plan to print money for Depression relief.

By then, Theodore and Lang were at war over who would control the NSW faction of the Scullin Government. Realising he needed Theodore's support, Scullin abandoned Lyons and Fenton. But Scullin had read Lyons quite wrongly. Lyons was not the soft loyalist when pushed too far; nor was Fenton. By the time of the Premiers' Plan of budget adjustments, agreed to by the states and federal government in June 1931, Theodore's expansionary ideas had proved unwise and unworkable with a hostile Senate. Deflationary cutbacks were once again to the fore. By then, it was too late for Scullin. Joe Lyons was leader of the conservative opposition and the Lang faction had been thrown out of caucus, leaving Labor badly split. Scullin had wagered on the wrong horses.

Lang's posturing and false promises of tackling the money-lenders gave temporary hope to the dispossessed and poor. The 1931 Lang plan thumbed its nose at the 'capitalists' and repudiated interest payments on NSW debts. Lang also ignored cost-of-living cuts in wages, ironically keeping wages uneconomic and increasing unemployment. But, for a time, pensioners and those on the dole saw such measures as more likely to favour them.

Not surprisingly, many ordinary voters increasingly saw Lang as leading the way to financial disaster. They continued to withdraw their deposits from banks such as the NSW Government Savings Bank, which had to close in April 1931. The better off sent their money interstate. The bank was forced to amalgamate with the Commonwealth Savings Bank, but negotiations became deadlocked and deposits were frozen for months, leading many depositors to lose heavily. Such financial malaise fostered widespread community protest.

All this had echoes in other states. Diverse citizens' groups sprang up and linked together, helped by conservative backers such as press baron Keith Murdoch. The groups took root along the spines of professional and business associations and like-minded community groups, organised at the top by a handful of politically savvy men who had connections with the Nationalists. The All for Australia movement mushroomed around conservative leaders. At the extremes, but not connected, the revival of the New England New State Movement and Eric Campbell's militaristic New Guard suggested more serious protest was possible. That these movements faded after Lyons' win is indicative of their momentary nature and the renewed confidence in government from 1932. Joe Lyons' win as Prime Minister brought back that confidence and stability, something he would manage steadily over three terms in government.

The publication in 2007 of US writer and commentator Amity Shlaes' *The Forgotten Man* opened debate afresh over the way leaders and economic experts handled the financial depression of the 1930s. Shlaes has demonstrated how economists and economic theory developed from, rather than coped with, the depression years of 1929–38. In Australia, relief from the worst of the financial downturn could be seen a few years into the conservative prime ministership of Joe Lyons. By 1936, Australian unemployment percentages were back into single digits. In the USA, where Roosevelt's New Deal had pumped taxpayer dollars into stimulating the US economy, unemployment continued in double figures until 1940. All of this gave added force to economist S J Butlin's argument, in *War Economy 1939–1942*, that 'development' per government largesse is not necessarily the answer. Angus Maddison's study of the world economy for the OECD supports this opinion. Maddison has shown that real GDP growth in the USA between 1929 and 1940 was only 1.6 per cent, while in Australia over the same period GDP growth was 16.6 per cent, and in the UK it was 24.6 per cent.

Joe Lyons had grown to manhood well aware of the meaning of

the word downturn. His own father, Michael Lyons, had lost the family's middle-class livelihood through gambling. In this, Michael Lyons forfeited the hard-won status of his Irish immigrant parents and thrown his own children – Joe Lyons and his siblings – onto charity and an unwelcome start from impoverishment. Joe Lyons was wont to tell parliament he was no expert at economics. By this he meant he was not an economist. Lyons was also inclined to talk down his expertise. This was both a habit of learned humility from his impoverished early life and something he knew was endearing to the ordinary voter to whom he appealed. Joe Lyons was just one of them. This self-effacement on his part – and, with his early death, a lack of opportunity to face his critics over decades – has allowed historians to shelve Lyons as a conservative penny-pincher without vision, unwilling to expand horizons in a financial crisis.

In fact, Lyons governed Australia through its depression years by adherence to the conventional advice of his day – the advice of a Ken Henry or a Glenn Stevens of the time. Lyons had talked economics with experts such as Lyndhurst Giblin over decades, from his time as a young Labor MP in Hobart. Giblin had advised Lyons when he was Tasmanian Treasurer from 1914 to 1916, when he was Premier of Tasmania from 1923 to 1928 and again when he was Acting Treasurer in the Scullin Government in 1930. He would also advise Lyons as Prime Minister. Lyons was not ignorant of economics. But in 1930–31 he became an outsider in the Labor caucus as he held to anti-inflationary economic policy, a policy both PM Scullin and Labor Treasurer Ted Theodore had supported through most of 1929–30. At least until Jack Lang threatened to usurp Labor's NSW federal MPs.

Laborite Frank Green knew both Joe Lyons and Lyndhurst Giblin from his days as a parliamentary clerk in Hobart before the First World War. The men resumed their friendship in Canberra in the 1930s. Green admired both men greatly and, in his memoir *Servant of the House*, pulled no punches, writing 'in the case of

Lyons I had the impression that he did not leave Labor of his own volition: he was driven out'. There is much truth in the comment. For Lyons, the decision to leave Labor came with pain – a pain he would describe to the House in his emotional resignation speech on 13 March 1931. But while Lyons had held fast to the anti-inflationary policies Scullin and Theodore insisted were theirs too, economic theorists began to divide over the best way to cope with the social consequences of such high unemployment. As Lang began to invade the loyalties of NSW federal Labor MPs with his populist rhetoric, Theodore moved into play in his effort to retain his own NSW supporters.

Frank Green recognised that Lyons had a political appeal that many who were more brilliant in professional life lacked. Green saw that Lyons was no orator but 'appealed to a crowd as a man who spoke with simplicity but with great common sense'. Lyons did not display the ego or arrogance and certainty of many in political leadership, which has confounded many, including colleagues who judged him over years. Judgments that he was not going to last as a leader or could not handle opponents, that he could be used to win elections and then cast aside, that he did not have the mettle for ambitious endeavour – all failed to recognise that Lyons had quite a deal of spine and ambition, and indeed confidence, but it often took a crisis to raise his ego. Lyons' resignation speech to the House on 13 March 1931 revealed a Lyons not seen to that date in the federal parliament. By it, he demonstrated he could fight as keenly as any other when he chose, and he could take the lead.

Lyons argued in this speech that he had not chosen high office in 1929 but had answered the call of his leader. He was by no means exploiting opportunities outside the Labor Party but had been forced to go by his conscience. All this was true. That was so often the Lyons way. From the time he confronted the Tasmanian Department of Education as he stood for parliament after leaving teaching in 1909, Lyons did not go looking for fights but when

confronted on a big enough issue was generally a tough opponent. And so it was that Australia elected one of the most unassuming of leaders to guide their nation through some of its darkest days. And Joe Lyons would do that until his death in office on Good Friday 1939, having won three terms against the odds and brought Australia back to growth.

In history, Joe Lyons would lack a political home. Labor would not claim him – he had deserted them. And his conservative legacy would be usurped by his rival and younger successor Robert Menzies, who dominated the Liberal Party for decades. That it was Labor's Joe Lyons who brought a 'liberal' element to the conservatives of the 1930s was forgotten by academics and commentators. In choosing to be sworn in as a Catholic Prime Minister in 1932, using a Protestant Bible, and with Jewish Governor-General Sir Isaac Isaacs, Joe Lyons made a deliberate and genuinely Australian move in a predominantly Anglo society. It was a move that rejected decades of Anglo-Protestant symbols. Joe Lyons was in this sense no simple conservative. Yet such had been the prejudice against Lyons by academics in rejecting Lyons' place in history, Professor Henry Mayer could write in his preface to John Williams' 1969 publication *John Latham and the Conservative Recovery from Defeat, 1929–1931* that Williams' 'appraisal of the role of the Conservative side of Australian politics in the great depression is not one which is, at present, fashionable'. Mayer recognised that it took an outsider, here a Canadian, to challenge the mindset against Lyons and the UAP; he also wrote that he hoped the pamphlet would stir debate over this. Mayer was a seeker of the facts, and Williams, being Canadian, was unaffected by local tribal loyalties, and was able to evaluate Lyons for what he contributed.

While largely forgotten in the history books, Joe Lyons' life story exudes the Australian dream at every stage. His ambitious spirit was masked by an unpretentious personality, and his beginnings were middle class and homely. As he began his primary education, his

Joseph Lyons

family's financial loss ended years of prosperity hard won over two generations. Then, helped by his extended family's belief in him, a bright mind and studious application, alongside the benefits of a government education system, Joe Lyons emerged to join a fledgling political force which, within a matter of years, carried him to state and national prominence. His end would come suddenly and tragically, but, in an outburst of national grieving, his life's achievements would be acclaimed both within Australia and abroad.

1



The boy from the island

I have battled sometimes against heavy odds,
from the time when at nine years of age I first
had to go to work, through one hardship after
another.

Joe Lyons to Enid Burnell, 9 October 1914

Australia's tenth prime minister, Joseph (Joe) Aloysius Lyons, was the first Australian prime minister to have a parent born in Australia. He served between January 1932 and April 1939 and died in office. As an Australian prime minister, Joe Lyons' Australian parentage is significant. Prime Minister Lyons belonged, like none of his predecessors, to the land he called home. His long term in office owed much to this sense of being Australian, along with his laid-back humour and empathy with ordinary Australians.

Joe Lyons was born into the island colony of Tasmania on Monday 15 September 1879 at Stanley. This compact settlement encompassed a few hundred families attempting English ways, and their assorted small businesses. Most of Stanley, once known as Circular Head, still lies at the point of a long, narrow promontory

tucked in beside Bass Strait, sheltered by The Nut, a stark outcrop of rock some 158 metres high. Georgian and Victorian cottages, largely in timber from nearby forests of myrtle, sassafras and eucalyptus but with the occasional two-storey bluestone, lined Stanley's sloping streets, which wind down to the quay. Apart from twentieth-century sealed roads and kerbing, a motorised chairlift to the top of The Nut and modernised shops and telecommunications, Stanley remains little changed more than a century later.

Stanley was proclaimed a town in 1842. It began as the commercial heart of the Van Diemen's Land Company's extensive operations and investments over some quarter of a million acres across the island's north-west corner for most of the nineteenth century. For decades, it was cut off from the rest of the colony due to the absence of accessible roads, and thus was dependent on its port for supplies. Stanley's demise as a port would come only with the development of Emu Bay and Burnie, and the extension of the railway and road network across the north-west of the island in the later decades of the century. On a rise overlooking the strait and a few kilometres from the town sat Highfield, grand Victorian residence of the VDL Company's chief agent and headquarters of the company's business until 1857. Smugglers, bushrangers and the occasional breakout convict kept the local constabulary busy, and frequent shipwrecks in Bass Strait added to this world born of risk. Tenant farmers hauled their loads to port on bullock drays along roughly cleared tracks; as bridges were scarce, fording creeks and rivers was essential.

Self-reliant and parochial, the Stanley and Circular Head community sprang largely from the VDL Company's workers, whether convicts, free settlers imported as indentured servants, or locals attracted by the opportunities of work. Families multiplied with healthy natural increase and chain migration, many from Catholic Ireland with its impoverishing land reforms. These families were eventually linked by marriage due to the isolation and distance from mainland colonies and the older and more populated settlements

around Hobart. A coach road out of Stanley, east to Burnie, was not constructed until the 1880s. For decades, Tasmanians would conduct their communications by sea with ferry services, not only across Bass Strait to the mainland but also around the island from north to south and east to west.

Baby Joseph Aloysius was the fifth child of Michael and Ellen Lyons. The family lived on Alexander Terrace, which, with Church Street, joined Wharf Road a few hundred metres from a busy quay and port. The Lyons' simple Georgian timber cottage belied a cosy prosperity which Michael and Ellen had achieved in this remote settlement, surrounded by their extended families.

At age eleven, Ellen Carroll had migrated from County Kildare with her widowed mother, Catherine, and sisters Etty (aged seventeen) and Mary (aged fourteen), sponsored by Ellen's uncle, Dennis Carroll, who was farming at Forest in the Stanley district. Catherine's husband, John, trying his luck in America, had died there in 1849. The Carroll women, all on assisted passages under the bounty scheme, left the Old World at Liverpool and docked in Hobart on 18 August 1857. From there they made the rough and dangerous fifteen-hour journey by coach to Launceston, a distance of 200 kilometres, with breakfast and dinner on the road. Travellers often broke this exhausting journey at inns such as Kean's or Morrison's in Campbelltown. From Launceston, the Carrolls reached Stanley by boat.

Michael Lyons junior, from a respected local Irish clan, married Ellen Carroll in September 1870. He was a fine match for Ellen, a strong-minded girl but with few prospects outside marriage. Her older sisters would remain single and support themselves with needlework. Michael Henry Lyons, as legal documents record his name in adulthood, began farming with his father and later managed a Stanley produce store owned by Henry Ford – one of the Ford family that leased Highfield after 1857 and eventually bought it outright. A year before Joe was born, legal documents from a

property deal between Michael and his brother Thomas describe Michael Henry Lyons as a draper.

The other Michael Lyons

Michael Henry Lyons was colonial born and bred. His father, also named Michael, had never known his son's advantages. The older Michael Lyons, patriarch of the Lyons clan in Stanley, migrated from County Galway with his wife Bridget (born a Burke) and six-month-old baby daughter Mary Ann, arriving at Launceston on the *Royal Sovereign* in January 1843. Their passage was not assisted as Michael came indentured to the Van Diemen's Land Company to begin life in the colony as a labourer. Enid Lyons, in *So We Take Comfort*, records that his job at some stage was to take charge of the cattle-run at Woolnorth, on the remote, windswept north-western tip of Tasmania where today, more than a century and a half later, its treeless expanses support a vast wind farm.

These were humble but by no means bottom-of-the-pile beginnings for Michael and Bridget Lyons. Hard work and quiet gain in a small close-knit community in time gave the Lyons couple status and security. Michael and Bridget Lyons had settled into the newly created town ready to work hard and prosper. Their eldest daughter, Mary Ann, would marry John Lee Archer junior, son of a former government architect and later police magistrate in Stanley. Their second daughter, Charlotte, married Alfred House Smith – a successful hotel-keeper from another extended family in the district – and Frances, their youngest, became the wife of George Jackson, a pharmacist.

Michael and Bridget Lyons and their neighbours were among a steady trickle of free settlers to the colony, which by the 1850s was in the hundreds annually, encouraged by a campaign to populate Tasmania, as the 1900 *Cyclopedia of Tasmania* phrased it, with settlers of 'a very superior class'. The bitter debate that had ended

transportation to New South Wales after 1840 had been conducted with a recognition that the colonies carried the ‘stain’ of a dumping ground for convicts. With the closing of New South Wales for transportees, Tasmania subsequently became the principal destination for most convicts arriving in Australia. In 1846, a third of the 70 000 inhabitants of Tasmania were convicts. In that year, in reaction to the colonists’ protests to the British Government, transportation to Tasmania was suspended for two years. The protests continued but it was not until 1853 that transportation to Tasmania finally ended. Marcus Clarke’s powerful novel *His Natural Life* (later titled *For the Term of His Natural Life*) began being serialised in 1870 and helped to clamp the stain of transportation on Tasmania for decades more to come. And in the years after the end of transportation, Tasmania struggled to find alternative income, so that by the time of self-government in 1856 the colony was in serious debt.

The immigrant Michael Lyons, however, thrived in his new free world; indentured he might have begun, but land blocks were soon available for lease and sale and he had the thirst of his ancestors for land and property denied so long to his stock in Ireland. After 1841, the VDL Company’s new chief agent James Gibson allowed the leasing of blocks to tenant farmers as a means of recouping company losses. Michael Lyons senior soon took up a tenant farm. And in 1851, when the company sold its first blocks to free settlers, Michael Lyons was among the first in the Circular Head region to purchase land in Stanley. In 1859, he bought 500 acres of farmland at Black River, an area just east of the Circular Head peninsula on the northern coastline, for £1242. Property he had sold in Stanley to Joseph Clayton of Perth the previous year for £500 no doubt helped with his deposit.

Conveyancing documents over a few decades show that Michael Lyons and later Bridget Lyons bought and sold parcels of land in partnership with other locals and their adult children. In this way, they steadily increased their modest estate. Later, family co-ownership continued the practice. In Enid Lyons’ *So We Take*

Comfort, there is the suggestion that Michael Lyons senior's interest in hotel-keeping was an aberration of sorts, but this seems to have been more Enid Lyons' distaste for hotel-keeping than reality. The documents show that in spite of some nifty refinancing on occasion, Michael senior's investments in town land and hotels underpinned his establishment as a farmer and landowner, which would have made him eligible to vote in the newly self-governed colony of Tasmania from 1856.

The Lyons family, like other free immigrants, had grown in number and put down strong roots. Michael Lyons junior (Joe's father) had been born in August 1845, followed by Charlotte, Thomas and Frances over the next seven years. Extended family followed. Michael senior's sister Bridget and her husband, John Breheny, and their five sons and two daughters settled at Circular Head in the 1850s, at first taking up residence on Michael Lyons' tenant farm at Green Hills. Later, John Breheny bought a preemptive right grant of 600 acres from the Crown at Black River, built cottages on it and divided it among his five sons. The names Breheny, Lyons and Carroll increasingly dotted the registers at Circular Head.

With the first sale of land in Stanley in 1851, Michael Lyons had purchased a block on Alexander Terrace and built the Shamrock Inn, which later became the Ship Inn, then the Stanley Hotel and finally the Bay View Hotel, its name when it closed in 1972. In the Tasmanian hotel listings for 1858–63, Michael Lyons is listed as licensee of another hotel – the Emily Hotel – which became the Freemasons Hotel. The Freemasons Hotel was taken over by Patrick Breheny, a son of Michael's sister Bridget and her husband, in the early 1860s. Patrick Breheny is believed to have been responsible for the hotel's name changing to the Freemasons. It later became the Union Hotel and remains in Stanley today.

Michael Lyons seems to have ended his involvement with hotels around the time of a decline in his wife's health. Bridget Lyons died

comparatively young, in October 1864, suffering from consumption (tuberculosis). Her eldest child, Mary Ann, had married just a few weeks earlier, which would have comforted Bridget and helped realise some of her hopes. But she would never see her grandchildren. Thereafter, Michael Lyons senior concentrated on his investments and younger children. He is listed in the *Tasmanian Postal Directory* for 1890 as a 'carrier'. He survived his wife by a good 35 years, dying at Stanley in June 1900 aged 83. By then his son Michael junior had lost his own small fortune and was no longer able to support his family. Joe Lyons and his older siblings had struggled to help their family for over a decade and were still contributing to the household upkeep. The advantaged colonial boy, Michael junior, had not lived up to the promise his father and mother had dreamed of. Michael junior's weakness was gambling.

The boy from Ulverstone

As a small child, Joe Lyons grew up in a happy, loving family in comfortable circumstances. Stanley's rural and communitarian ways, its small beaches to ramble on, the rustic prosperity of local businesses and his relatives' farms to visit seemed to set Joseph Lyons up for a smooth path into the professional classes. His arrival as an infant was greeted by three brothers and a sister, all born with tidy regularity every two years from the birth of Elwin in July 1871. In the custom of the times, most of the older Lyons children would be known by their second names: Catherine (second-born) would be called Adeline, Augustin would be Arden, and Oswald would be known as John or Jack. In time, Mary Geraldine, three years younger than Joe, would be Jude – although Joe called her Mary – and Frances Letitia (born August 1884) would be known as Gert.

Around the time of the birth of Michael and Ellen's seventh child in 1884, when Joe was almost five, it appears Michael was contemplating a move for the family. He had heard of a new dis-

trict rapidly expanding near the mouth of the Leven River, now the town of Ulverstone. Set between Burnie and Devonport on the northern coast, the district was not opened for farming until around 1848 due to impassable and difficult-to-clear forests. With the sale of blocks and a first harvest of potatoes grown in the chocolate-coloured soil, the area soon attracted would-be settlers; farmed blocks on the Leven began to multiply. The land around Ulverstone, when cleared, proved rich for cultivation, although the years of clearing and building up the soil were arduous, with the lot of the early farmer a tough, precarious and even bitter existence. As on the Victorian goldfields, many did better in service industries that grew alongside the developing communities. The Leven Inn (later the Sea View) opened in 1857 – the only building then in the so-called town. By 1888 there were 37 businesses around it, including two banks, two coffee palaces and another two hotels.

In such a new and expanding society, it was not surprising that Michael Henry Lyons saw an opportunity and located to the Leven after some preliminary research. He opened a ‘baker and butcher’ establishment. Meat and bread being a colonial staff of life, Michael junior had a ready trade. Joe’s father sold his property in Stanley in March 1885 to John Edwards for £225 and the family became secure residents of what was then called the River Leven. In May 1887, Michael and Ellen’s eighth child was born and they named him Thomas. With the early deaths of Joe’s siblings Elwin (in April 1913) and Arden (in September 1916), Tom Lyons would become the brother Joe knew best throughout his life.

What is known of Joe’s years in Ulverstone is mostly to be found in Enid Lyons’ *So We Take Comfort*. A short memoir of Joe, ‘Reminiscences of the Late Prime Minister’, written around 1941 by Horace Bond Pithouse, a Tasmanian friend during Joe’s teaching days, was published in *Tasmanian Ancestry* in 2004. This also gives a close insight into the younger Joe Lyons. The Lyons children ranged in ages from five to thirteen when they arrived in the Leven district,

and the community there was scattered and very rustic with a lot of time for tearing about and improvised play. At first the children attended the local state school, where the admission for Elwin (aged thirteen), Adeline (aged eleven), Arden (aged nine), John (aged seven) and Joseph (aged five) is recorded in the Ulverstone State School records for 19 January 1885. After 1886, they were moved to St Joseph's Catholic School, operated from 1885 by a Miss Reynolds and taken over by the Sisters of St Joseph from Forth in 1889. Admissions for Mary, John and Joe Lyons at the Stanley State School a little later record their having come from the 'convent' school in Ulverstone.

Joe Lyons had his own vivid recall of his early years in Ulverstone, which he later passed on to his wife. Being the baby among the boys at the time, he suffered the usual small boy indignities of older brothers trying to leave him behind on their rambling adventures; he was too slow to keep up and too little to master older boys' activities. Joe's life-long love of boating and fishing undoubtedly came from his happy experiences on the Leven. In spite of the angst at having to keep pace with his older, unwelcoming brothers, Joe Lyons could remember an idyllic childhood roaming barefoot for many months of the year, exploring the bush and river for miles at a time. They sometimes caught fish and carried them home strung up on a fern frond. On one occasion when his brothers tried to leave him behind in order to construct a boat from a box, Joe followed, not to be left out. He eventually found the gang and their newly made boat as it was being launched. But in his jump aboard from the river bank, Joe tipped the whole craft into the water and had to be hauled to shore as he couldn't swim. The brothers were left to hang out clothes to dry and attempt to rescue their homemade boat. Yet if the young Lyons tribe thought they had a child's paradise, their father wanted better.

Michael Lyons junior had taken to following the horses. Addiction once set in is hard to conquer, and by the middle 1880s he was

studying racing guides, such as they were in the Tasmanian newspapers, and no doubt placing the occasional bet. In Australia, from colonial times, where there was a pub there was the opportunity to have a bet. The family saga, as told, records a dream Michael junior had that the winner of the Melbourne Cup in 1884 would be a horse named Malua. This prediction proved correct, although, since he had been following racing in the newspapers available at the time, Michael Lyons would have known that Malua was one of Australia's best.

As a punter, Michael Lyons was to prove both romantic and exceedingly foolhardy considering his circumstances as father and provider for a large family. Whether his tragic flutter on a later Melbourne Cup is the whole story of his financial decline will never be known. It's always possible this story was embellished to cover a more serious issue such as debts incurred over time, debts that may have been the reason Michael junior risked the family fortune on one race. That he would do so is quite remarkable. But if the retold family explanation for the fall from thriving business owner to ruined pauper is to be believed, it would appear that in 1887 Michael Lyons decided to put his trust in his intuition and headed off to the Melbourne Cup with money in his pocket considerable enough to wreak havoc on the family if he lost. The year of this disastrous journey, however, has been debated over decades.

Brendan Lyons, in his memoir of his father, Joe, *They Loved Him to Death*, settles on 1886 (when Joe was just seven) as the date for this major financial loss; Kate White, in *A Political Love Story*, wrote that it was 1887. The story has always had the horse Michael bet on with a name that sounded like Trenton or Tranter. Trenton came second in the 1886 Melbourne Cup and carried the third-highest weight at nine stone and five pounds; *Tranter* was a five-year-old relative outsider in the 1887 Cup that fell back to finish third last in the field after leading early in the race. It is also claimed that Michael Lyons junior hoped to win £15 000 and to have offered the

jockey a £500 inducement from his expected winnings. This was an extraordinary amount of money to win in 1886 or 1887, and is more than likely a vast exaggeration of the facts.

From documents lodged in the Tasmanian Titles Office, the Melbourne Cup at which Michael Lyons lost his money could not have been the 1886 Melbourne Cup. In July 1886, Michael Henry Lyons purchased just under a quarter acre of land in Castra Road, Ulverstone – what is now Main Road – and refinanced that purchase in January and September 1887 for £230. A man who had bankrupted himself at a Melbourne Cup would not have been able to refinance a mortgage a few months later. It seems, then, that six months after the birth of Tom Lyons in May 1887, Michael Lyons' wager and loss on the Melbourne Cup that November was sufficient to lose the family business.

After the ferry ride back to Tasmania and coach journey to Ulverstone, Michael Henry would have had to break the devastating news of the extent of his losses to his wife and large family. As the Lyons' descendants tell the story, something snapped in Michael junior and he was a broken man at just 42. How much he had lost is not known, nor is the amount he might have borrowed to fund the venture. Joe, as a boy of eight, was unable to do much to assist his family financially, but his eldest siblings were soon forced to help provide food and shelter. The butcher and bakery business could not continue as a Lyons enterprise, and no help seems to have been made available from Michael senior or Michael Henry's siblings. No doubt his actions were seen as a disgrace by the upright and hard-working extended Lyons family. Michael Henry was reduced to earning income from occasional jobs as a farm labourer and he never regained the confidence to support his family.

Elwin, aged sixteen, and Adeline, two years younger, became the family's financial support. Elwin laboured and Adeline sewed, eventually building herself a reputable business as a dressmaker. The younger boys did what odd jobs could be found. Enid Lyons records

how Joe at the age of nine was employed as a printer's messenger boy at what Horace Bond Pithouse described in his memoir of Joe as 'a mushroom growth small weekly, *The Coastal News*', and once a week had to collect copy from a house outside town near the cemetery very late at night, a scary experience for a little boy. This information about the young Joe is hard to verify. Ulverstone's first newspaper did not start until late in 1890, by which time Joe was eleven. The *Coastal News* had a very short life and closed in 1893. Enid Lyons also told Mel Pratt, in her National Library archival interview, that Joe worked at night as a printer's messenger only after attending school by day. Kate White, in *A Political Love Story*, wrote that at twelve Joe was 'cutting scrub', which undoubtedly paid more than a messenger boy, and by this time he would have grown enough for more of a man's work. But, aged twelve, Joe was also admitted to the Stanley State School on 1 February 1892. Just how interrupted Joe Lyons' primary education actually was is hard to tell.

While it was compulsory for children in Tasmania (from 1868) to attend school until the age of twelve, there were many who did not – and, as Alison Alexander's *Companion to Tasmanian History* records, 'many local school boards included employers of child labour who were reluctant to enforce the legislation, often on the grounds that it would disrupt the local economy and cause hardship to the families concerned'. Joe Lyons, like other school-age children, no doubt had an interrupted schooling before the age of twelve, and worked as a child labourer part of the week for income to help support his family. Many children only attended school three days in five, and this was possibly how Joe managed. What was unusual in all of this was that Joe Lyons continued his education after the age of twelve.

When some of the Lyons family moved back to Stanley at the beginning of 1890, Joe's Carroll aunts saw the potential in him and convinced his parents that he should live with them while he continued his schooling. Joe was enrolled at the Stanley State School in 1891. The records for the school show that two of Joe's siblings were

enrolled there from 1890: John (or Jack) very briefly in Class IV at the age of thirteen and withdrawn within months, and Mary until she had finished Grade VI in 1896. Tom started, at almost seven, in 1894 but was soon removed; the reason given was that he had moved from the district. The Lyons family appears to have been divided between Ulverstone and Stanley for some years. No doubt this was partly because Arden and Adeline, working in Ulverstone, and Ellen's Carroll sisters in Stanley were all helping to house and feed the family. So it was that Joe Lyons continued his studies and came to the notice of the Stanley State School headmaster, John Scott.

The pupil teacher

How much schooling Joe's father or mother might have had is debatable, although for ordinary people of their generation Michael and Ellen Lyons were above average in their ability to read and write and conduct their affairs in business. Ellen had been given her earliest education in Ireland, and by the time the Carrolls established themselves in Stanley, she was more than likely considered past her school years. There was nothing unusual in this. In Hugh Hull's pamphlet *The Experience of Forty Years in Tasmania*, published for British readers in 1859 and read to an audience in Hobart in July of that year, he concludes that, 'the religious and educational advantages of Tasmania [were] of a high order'. But Hull also observed that in the Circular Head district, government schools instructed many children between the ages of three and fourteen, and most of those children were from small tenant farms where 'their services are so valuable to their parents during the agricultural seasons as to render their attendance at school very fluctuating'.

Tenant farmers were not the only parents to make use of children rather than have them attend school. Girls were taken out of school to help at home as carers for younger siblings or to assist in home chores; young boys could be employed in all manner of menial

tasks, sometimes for payment. Most girls expected to become good wives and mothers, while boys expected to follow their fathers into local small business, farming or general labouring. There was little ambition or opportunity to do otherwise.

The need to give the basics of literacy, numeracy and moral instruction to the lower orders had been a concern of governors and officials in the colony from the earliest years. While church schools – principally Anglican and some Catholic – multiplied with the assistance of the government, these schools only catered for about a quarter of the children needing tuition. They were also the only schools that offered secondary education until the first state high schools opened after 1914. Governor Franklin had established a non-ecclesiastical Board of Education in 1838, and in 1839 a system of ‘free day schools’, organised in districts by local officials, was begun – what Hugh Hull described as ‘wherever a few children can be got together’ and where the local community could put £1 towards building a school house for every £2 put up by the Board of Education.

While the number of schools grew across the island, many inhabitants still chose to educate their children ‘at home’ – often a euphemism for not much formal education at all. Some found the small cost to be paid prohibitive; others did not want their children in schools that educated the children of convicts. This led to the law of 1868 that made school attendance compulsory for children between the ages of seven and twelve who lived within a mile of a school. However, modest school fees for government schools were not abolished until 1908. Compulsory schooling continued to be a loosely applied term, and in 1885 an attendance standard of three days per week was applied.

Given Michael Henry Lyons’ financial misfortune, it was not unusual that Joe Lyons and some of his siblings had interrupted or minimal schooling. Joe was fortunate to be rescued by his aunts, Etty and Mary, women of very limited income who worked as

dressmakers from home in their cottage in Stanley. So while his family made the best of their lot nearby, Joe lived with his aunts and attended Stanley's government school. It would be another two decades before the first secondary schools would open in Tasmania – in Hobart and Launceston. But Joe Lyons, with his keenness for book learning, was already on his way to becoming the first of his family to go beyond the limits of local success as a landowner achieved by his grandfather as an Irish immigrant. Joe now had the chance to participate in the education revolution for ordinary people that was taking root in all Western societies, but had begun for Tasmanians with the *Education Act 1885*, which established the Tasmanian Department of Education.

That a bright boy like Joe should capture the interest of the local headmaster was not unusual. John Scott took a particular interest in young Joe and gave him additional tuition out of school hours. In November 1894, Scott wrote to the Director of Education nominating Joe as a candidate for the position of paid monitor at the Stanley State School and supported this with his assessment that Joe had been 'two years in the VI class' and showed 'aptitude for teaching' and 'a very good knowledge of the subjects taught'. The Stanley parish priest, Father Cunningham, gave a glowing reference which described Joe as 'a very moral, good young man who will give every satisfaction', adding that he had 'never known a better young person' and that Joe was 'very intelligent, well educated' and had 'a special aptitude for acquiring information'. Joe's parents were described on the application as involved in 'farming', which meant that Michael Lyons had returned to work on local farms as a labourer. The application was approved by the director on 27 December 1894, suggesting that public servants of the time had little break from the office at Christmas. Joe's employment began on 1 January 1895 and his annual salary was £15 – less than he might have earned as a printer's messenger boy.

With the support of John Scott, Joe Lyons was examined each

year as a pupil monitor, advancing little by little through the grades of seniority. With each advance, there was a small adjustment of salary. Joe soon developed a confidence in his education, and just before his seventeenth birthday in August 1896 he wrote to the Director of Education seeking to be allowed to sit for an examination six months earlier than his service technically allowed. He finished his letter, written in the impeccable handwriting of the nib and inkpot generation, 'Thanking you in anticipation of your giving this a little consideration, as I would like to advance myself as much as possible.'

The following year, at 10 am on 20 December at the Charles Street State School in Launceston, Joe sat for the examination for Teacher Pupil, Class IV. He was successful but was informed in January 1898 that while he was now qualified as a Division A of Class IV he would not be paid as such until he had turned nineteen or until he worked in a bigger school. The Stanley State School had not enough pupils to justify a pay increase – teachers' salaries at the time were partly financed by the small fees paid by parents. In 1899, however, John Scott applied for an increase in Joe's salary on the grounds that Joe was now over nineteen and the pupil intake at Stanley had increased. Scott's letter to the director also made clear that Joe did not want to be moved from the Stanley State School. In August 1899, Joe received news that his salary would be increased to £60 a year. He was about to turn 20.

The wider world beckons

The decade that passed while Joe Lyons was devoting himself to the schoolroom was one of profound change for the Australian colonies. A century on from European settlement under the British flag, financial downturn followed by drought had forced a refocus throughout the colonies on their collective identity and the means to genuine prosperity in an isolated continent dependent on the

fluctuations of overseas trade. The laid-back confidence that land and natural resources could provide for all had been tested and found wanting. As L F Fitzhardinge described it in his essay in C Hartley Grattan's *Australia*, 'Modern Australian ways took shape in the nineties ... [people] became more aware, too, of the contrasts underlying the appearance of prosperity: of the squalor of city slums and the hardship and poverty of the bush worker and small "selector".'

Capital had floundered, brought home with a downturn in prices for exported goods and disasters such as the 1893 collapse of the Commercial Bank in Victoria – previously one of the colony's finest; then drought in the 1890s had devastated the numbers of cattle and sheep, on which so much of the economy depended. Between 1891 and 1902, the Australian sheep population halved. Meanwhile, at the lower stratum of society, the lot of many was proving tenuous, encouraging the movement towards organised labour among the unskilled and rural labouring classes such as shearers and miners.

Labour-endorsed candidates had won seats in New South Wales from 1891, and these members of parliament had become a third force in the chamber, pressuring premiers to listen to the complaints of organised workers. Simultaneously, as recession moved the colonies to increase their tariff walls against each other, a movement among professionals and the middle class to bring down those walls and develop unity for the good of all was defining itself as a federal movement. The colonies were drawn towards federation in a series of conventions held in the major colonial capitals, starting with Hobart in 1886, hosted by Tasmanian Premier Sir Adye Douglas, a leading Tasmanian federalist. While labour groups saw this movement as a distraction from social reform, in time an increasing fear of the 'alien' or 'non-white', as represented in cheap foreign labour, would appease differences and help to usher in a White Australia Policy with the Act to federate the Australian colonies in 1901.

Migration down through the centuries has always relied on push and pull factors. This was no less the case for settlers of the

Australian colonies, where many dreams of success from acquiring property petered out in failure or hard luck stories. Clearing forested land in northern Tasmania, as elsewhere, was done by burning scrub and ringbarking trees – hot, dirty and exhausting work that took years. The crops that resulted were often plagued by infestation and affected by weather extremes, while the prices for produce could be good one year and impoverishing the next. Many farmers from northern Tasmania had left for the goldfields of Victoria in the 1850s and 1860s hoping to ameliorate their situation with the proceeds of alluvial mining. Most were rookies at both farming and mining, trusting to luck and learning on the job, and most received a minimal return for their efforts.

In the 1870s and 1880s, new mineral deposits discovered in the north-west of Tasmania brought a lot of these ‘expats’ back to Tasmania. The late 1880s saw a rush south and west, over the Arthur River, following tin discoveries at Mount Bischoff in 1871; many went further to Mt Lyall’s copper mines on the west coast and to Zeehan, where deposits were longer lasting and more profitable. Fathers and older brothers prospected or mined while the families they left behind maintained their farms. Trees now became profitable as wood for rail tracks and timber for export to the mainland. Logging camps opened and sawmill towns multiplied. Men moved back and forth from farms to mining camps. The port at Burnie prospered and grew.

Thomas Lyons (Michael junior’s brother), who never married, discovered the first tin in the Balfour district around 1875; he was pulling a wombat from a hole with his mate Skelton Emmett. Mt Balfour, as it is known today, was originally called Mt Lyons in honour of Tom Lyons’ efforts there. He and several others returned to Balfour to develop mining for a profit on the remote Frankland River as part of a Stanley syndicate. He would remain there until just before his death in 1925. As Kerry Pink and Annette Ebdon have recorded in *Beyond the Ramparts*, the area of Balfour was never the

long-term success of mining operations on the west coast; real fortune always rested with bigger operations and syndicates. As Geoffrey Blainey points out in *The Peaks of Lyell*, Balfour was also one of only four areas that the Mt Lyell Company found worth exploring, but none proved long-term successes. Mining magnate Robert Stricht would lose the vast sum of £70 000 in the Copper Reward mine at Balfour. Tom Lyons became a pioneer in the history books but no rich man, something his nephew Joe might have considered as he bent over the books and stood at the blackboard. But Joe seemed also to have pondered why, with his years of training and learning, he should be left earning far less than a prospecting uncle, with the barest of formal education, living in isolated digs in the backblocks.

After four years of examinations and teaching practice, Joe Lyons was earning just over a pound a week as a school teacher. Apart from a three-month relief teaching stint at Irish Town, south of Stanley, he had not worked outside the school he had attended himself. In order to make the next rank, he would need to take charge of a school and demonstrate his managerial competence. In February 1901, the Director of Education offered Joe the position of master at the about to be opened half-time schools of Apslawn and Apsley Meadows in the Glamorgan district on the east coast. Kate White, in *A Political Love Story*, wrongly locates this posting as the Midlands, as does Philip Hart in his PhD thesis, 'JA Lyons: A Political Biography'.

The Hon. William Perkins, the Member for Pembroke in Tasmania's Legislative Council, had written to the Director of Education, Joseph Masters, about the matter of schools at Apsley Meadows and Apslawn over some time, and in February 1901, on the eve of a visit to Swansea, he was writing again to the director, urging him to find someone to fill the position of teacher so the school could open. Local landowners Mr and Mrs Lyne were pressuring Perkins for a school in the area to be opened as a matter of urgency. Perkins wrote:

I am to be interviewed about it and should be very pleased if I could inform the residents that arrangements have been made for the opening at an early date. Mrs Lyne came to see me today on the matter. She says that there are about 12 children available for the school and that another [large] family is coming to Apsley ...

Joe initially did not accept the offer of Apslawn and Apsley Meadows, arguing with the director that he had not been given the promotion his examination results qualified him for, and at the salary he was being paid he had to 'state with reluctance' that he could 'scarcely see' how he could accept. Joe's pride was bruised that he could not rise in the teaching ranks more quickly – nor be paid a higher rate than the lowest for his level. Reality, though, soon dawned, and a few days later, just as the Hon. William Perkins was writing to the director, Joe sent a telegram to the Minister of Education saying he had decided to accept the appointment to Apsley Meadows and Apslawn. Shortly after, a telegram to the Hon. William Perkins from Joseph Masters confirmed that 'Mr J Lyons will open at Apslawn and Apsley the fourth of March.' Joe Lyons had begun a long new journey. He would never make his home in Stanley again.

2



A political education

By the way, will you keep the newspaper references to my first financial statement; they may be of interest in future years and I'm not keeping any myself.

Joe Lyons to Enid Burnell, 27 October 1914

The Swansea estates of Apsley Meadows and Apslawn had been hard won from marshes and timbered country taken up from land grants, and later in tenancies and bargain-priced land sales by William Lyne and his sons. What separated the Lyne family from ordinary folk or labourers over time were their connections to good stock in the old country, their investments in land in the new and the position of influence this brought them. These landed families retained their power through Tasmania's Legislative Council well into the 1900s.

William Lyne, an emigrant from Gloucestershire, had arrived in the Swansea area by boat from Hobart in 1826 with his wife, Sarah, three sons and two daughters. He had a land grant from the Governor, and he would make good his original allotment. Lois Nyman, in *The Lyne Family History*, reveals that by 1900 the Lynes had

thousands of acres in various holdings and estates along the Tasmanian east coast as far north as Bicheno. Marriages between the handful of local landed families were common and continued a tight network of like with like. All of this was forged by long working days, much like any bush navy. Master and servant toiled alongside each other in a dangerous terrain, separated by the strata of a far more complex social order transplanted from the old world. Labour was cheap, with convicts readily available. Indeed, free immigrants soon found they were better off seeking work on the mainland. When building the house at Apslawn for his new bride in 1843, William Lyne's son John employed so many convicts he had a triangle (for lashings) erected – and it was used.

John Lyne died aged 90 in 1900 a few months before Joe Lyons began the schools at Apslawn and Apsley Meadows. When young, in the 1820s and 1830s, John Lyne had worked with his father, William, clearing land and draining marshes, rarely stopping for months on end and sleeping rough in barely habitable digs. As Lois Nyman vividly describes, clashes with the local indigenous population were fierce. The first house the Lynes built was a log cabin resembling a fort with small shooting holes in the walls near the door. William Lyne's wife Sarah, who died in 1873, was said to have hated all 47 years she spent in Tasmania as wife and matriarch in what had become one of the most successful families in Tasmanian society.

Taking the railway to Campbelltown and making his way east from there by coach, and the last fifteen kilometres on foot, Joe Lyons arrived in this semi-feudal community in the Glamorgan district in March 1901, just months after the declaration of the Federation of the Australian colonies on New Year's Day. Apart from a new school opening, changes were underway at Apsley Meadows and Apslawn. Patriarch John Lyne, MHA for Glamorgan for thirteen years, son of the original William Lyne and rock of the Lyne establishment around Swansea, was gone. His eldest son, by then Sir William Lyne, had become Premier of New South Wales

and a central figure in the federal story as Governor-General Lord Hopetoun's choice to become the first Australian prime minister. The Governor-General's preference for Lyne became known as the Hopetoun blunder, since Sir William Lyne could not form a government and the position passed to Edmund Barton.

Carmichael Lyne, the youngest of John Lyne's sons and seventeen years younger than William, had managed Apslawn for some years. However, as Joe began his teaching post, Carmichael Lyne was about to move to the Trevallyn Estate in Launceston to set up house there and would soon after become the MHA for Ringarooma. The young schoolmaster had arrived at a time of great change for the Lyne family, who were already making plans to sell the Apslawn estate.

Not surprisingly, Joe's position in the Apsley/Apslawn community was a relatively lowly one. He was, in the eyes of master and mistress of the estate, a mere servant. This was not uncommon for a time when many of Tasmania's rural schools were dependent on local gentry to house the schoolmaster and even provide the school house. Joe's digs were rough, and he would relate years after how he slept in an abandoned and derelict outhouse that had been used for domestic servants. One night he awoke to the weird sound of rats running across the keys of an old piano left with other cast-off furniture in a nearby storeroom.

As teacher of two 'half' postings, Joe had to walk the five kilometres between the school houses during the week. Among his letters to the Department is one that complained at how the mud was so bad, the road 'a mere bog in winter', that he needed a horse, but his allowance for travel was too meagre to afford one. By September, he had received notification of a salary increase to £75 a year. By March 1902, the report made following his examination results recommended that as soon as Joe Lyons could be relieved at the two half schools, he should be moved to a better position. Joe was appointed that March to Conara and Llewellyn, small railway

communities in the Midlands and not far from the main highway between Hobart and Launceston.

Joe's year at the Lyne estates had been brief but not without impact. For the most part, he had not had a comfortable time. His position, somewhere between menial servant and respected man of letters, had reinforced in Joe the disparity between working, even educated, folk and those with privilege, position and land in what many termed the working man's paradise of Australia. According to Enid Lyons, he had also met Sir William Lyne at some point during his stay at Apslawn, albeit briefly, but within the intimate environs of a private gathering. This lowered the barriers momentarily and allowed Joe an insight into the world of politics. The occasion stayed with him.

Within the Department of Education during these years, Joe Lyons was judged to be a diligent and able teacher. Reports on his teaching ability to this point were more than satisfactory, and in spite of his correspondence with the Director of Education, Joseph Masters, about his low salary, he appeared to accept his gradual rise in the profession. He had completed annual examinations in the hope of advancement. In January 1902, his salary increased to £85 per annum, to which was added a travel allowance of £12. At the time, and for years after, MPs' salaries were £100 per year.

However, Joe's growing impatience became evident that year in spite of his salary increase. Perhaps his experience with the Lyne family and their wealth had provoked him. He wrote to the director shortly after arriving at Conara requesting consideration for an increased travel allowance on the grounds that he would need a bicycle to travel the fifteen kilometres between the two schools. Whether the director felt this new request was hardly justified or had become tired of Joe Lyons' begging letters is not known. Joe received no increase in his travel allowance and instead was told by the director that his salary had increased by £20 for 1901–02 and this was not a small consideration.

Pib Bailey

During his first year at Conara and Llewellyn, Joe did not sit for his annual examinations for promotion – he wrote to the director that he had not been well. Perhaps this was the whole reason, or perhaps Joe's social life had taken a new turn. It's hard to say, but in early 1903, Joe was relieved of the Llewellyn posting and consequently lost his 'forage' allowance of £12. Because of either his sickness or his complaining, he had lost income.

The story of Joe Lyons' personal life is well recorded – but only through the eyes and experience of his wife, Enid, whom he did not meet socially as an adult until he was 32 and she barely fifteen. Much of his social life as a young man in his twenties has been lost to history. Enid wrote of his family life, his love of fishing and boating and his life with her. But what of that formative time as a young man?

Horace Bond Pithouse in 'Reminiscences of the Late Prime Minister' recalls Joe being 'slightly built' as a lad of fifteen and 'almost as lithe as a deer on the cricket or football field or on the running track'. Horace was a young teacher at Penguin when Joe was in his late teens. They became friends through their joint sporting interests and later as teachers when they were involved in politics. Joe, wrote Horace, was a 'sensitive lad in the presence of his elders', especially if they were strangers, and was 'slow to make new friends'. Yet he also records that Joe was irritated by his slow progress at the half-time schools and 'protested to his superiors'.

But Joe Lyons did not lack a social life. Or a love life. It seems that around the time of his posting to Conara, Joe became attached to a younger sister of Ferdinand Bailey who owned Bailey's Hotel in Oatlands on the highway south of Conara. Pearl Bailey, or Pib as the family always called her, was Joe's age and for a time lived with her widowed sister Aida Walch at Cleveland, just north of Conara on the main road between Hobart and Launceston. In the *Tasmanian*

Post Office Directory for 1903, Aida Walch is listed as Cleveland's postmistress. As the second youngest of John and Frances Bailey's twelve children, Pib had three older siblings more than 20 years her senior and relations all over Tasmania. Her brother Ferdinand was fifteen years older. Pearl's family had made money in the hotel business and the family home in New Town, Hobart was a grand, newly built Edwardian house on Swanston Street. While struggling school teacher Joe worked at Conara, he and beautiful young Pib from a wealthy Hobart family were sweethearts. This came to light in 2009 when Bill Bailey, grandson of Pearl's sister Lillian, passed on information to Joe and Enid Lyons' grand-daughter, Mary Pridmore.

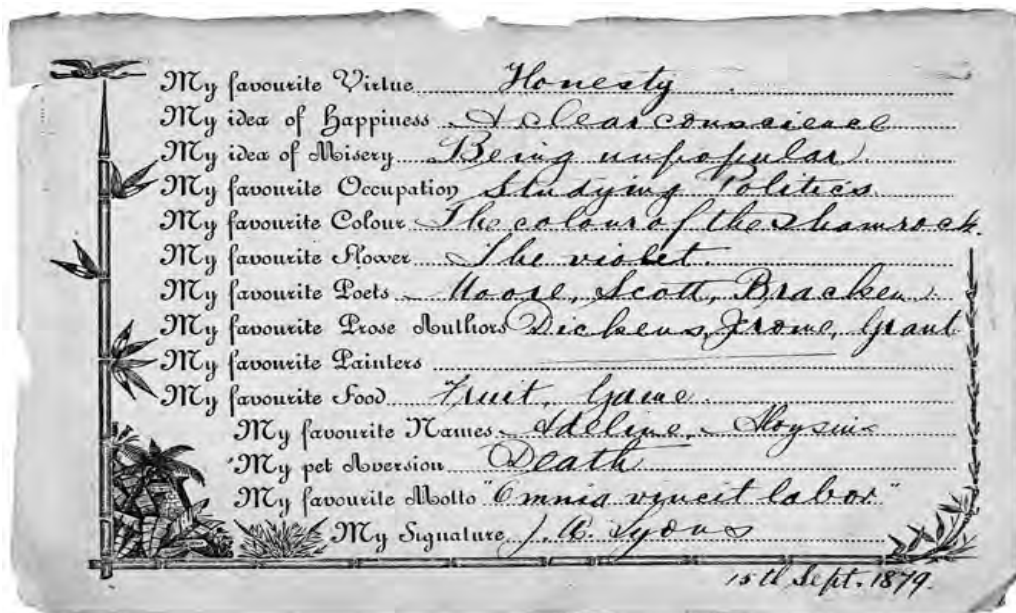
Pearl Bailey was Bill Bailey's favourite aunt. She never married and died in Hobart aged 89 in 1968. But she kept Joe's letters. After her death, Bill read the letters to Pib from Joe Lyons when he was a young teacher. By the standards of the day, they regarded themselves as engaged. Certainly the Bailey family, knowing the content of the letters, has always believed this was the case. But Joe may have gone a step too far too soon, only to pull back as he realised he could not afford to marry on his teaching salary, even if this first love had stirred his passions strongly. Added to that would have been the Baileys' social standing, which may have left Joe feeling he needed to support Pib in a fashion beyond his means. Joe's earnestness in requesting an increase in his annual salary during 1902 may have been partly because of Pearl.

Joe and Pib spent time boating in the moonlight on the South Esk, cooking kidneys on toast for suppers and sharing their love of reading – Shelley, Tennyson, Dickens, Scott. He gave her a copy of Milton's 'On His Blindness'. Says Bill, the letters were love letters, no doubt about it. And as Bill told of the letters' contents, Mary Pridmore recognised the phrasing and tone of other letters – those Joe had written to her grandmother Enid. Soft, caring, fondly respectful. And joking, playful, with a sense of self-mockery. A young man head-over-heels in love. But unable to marry. Yet for

A political education

Bill the letters are a Bailey story and not for public consumption. Sadly so.

One small relic of Joe and Pib's time together has been left for others to read. Pearl kept not only Joe's letters but also a card filled in by Joe, in his unmistakable handwriting, during a parlour game – a selection of preferences with J A Lyons' signature at the bottom, along with his date of birth. The answers are revealing and quite candid. His favourite virtue is 'honesty'; idea of happiness – 'a clear conscience'; idea of misery – 'being unpopular'; favourite occupation – 'studying politics'; favourite colour – 'the colour of the shamrock'; favourite flower – the violet; favourite poets are Moore, Scott and Bracken; favourite authors are Dickens, Jerome and Grant; favourite foods are 'fruit, game'; favourite names Adeline and Aloysius.



A list of 'favourite' things filled out by Joe Lyons
during a parlour game, 22 June 1905
Courtesy Lyons family

His pet aversion is death and favourite motto is '*Omnia vincit labor*' ('work conquers all'). Joe left a blank line at favourite painters; his working-class upbringing had obviously left no time for absorption of the fine arts. Along with the card filled out by Joe, Pearl kept one filled out by Joe's sister Mary. The date on Mary's card is not her birth date but the day they played the game. Mary was close to Joe and no doubt a friend to Pearl as well. Mary dated the day of the game as 22 June 1905.

What happened between Pib Bailey and Joe has not been recorded except in Joe's letters to her. Jeanne Bailey, Bill's sister-in-law, has long since formed her own conclusions from Bailey information over years. According to Jeanne, young Joe may well have developed a liking for other young women; he became more sociable after Conara, gregarious, enjoying his growing status as a political activist. No doubt, as his teaching appointments moved him away from Pearl, other attractions moved into the vacuum. As time passed, Pib's independence and strength, her self-assurance and closeness in age to Joe all contributed to him regarding her as a good mate more than a romantic interest. Pib's regard for Joe never waned, and she never married. In time, Joe's friendship with the Baileys was not just with Pib; he became a favourite caller at their home in New Town when in Hobart. In his letters to Enid before their marriage, he spoke of the Baileys regarding him as one of the family.

As a young MP in late 1914, writing to his fiancée Enid Burnell, Joe talked of spending occasional afternoons or evenings with 'the Baileys', some of whom still lived in the family home, Llangloh, in Swanston Street, New Town, a vast property. Later it would be sold so that the family could reinstate Llangloh at an even bigger mansion at 28 Patrick Street, Hobart, on land stretching back to Brisbane Street. Writing to Enid on 2 November 1914, Joe related how he had shown Enid's photo to the Baileys during his visit the day before, and Fay (Pearl's fourteen-year-old niece) had been impressed. 'I know they will like you,' wrote Joe, 'as well as they

like me if not more so and I'm sure you'll like them. We have been friends for over ten years now. I am really anxious for you to meet them because they take a genuine interest in my welfare.' His letters to Enid before his marriage contain a number of references to Pib Bailey, who remained Joe's dear friend.

Bill Bailey recalls that his great-aunt Pearl supported Lyons as a politician, as did many of his relatives, including his parents, and his Labor-voting father bore Joe no grudges when Joe abandoned Labor in 1931. Indeed, Joe Lyons acknowledged the family's support in his letters to Enid, writing in December 1914 how he was a favourite with old Mrs Bailey, whom, he said, 'reads every word of my reported speeches and is a warm Laborite'.

Pearl's sister Aida had married Charles Morrice Walch, one of the Walch publishers family. Charles Walch died at sea in March 1900, leaving Aida with a four-year-old son, Garnet. Their daughter Fanny had been born in June 1899, but had died soon after. Aida had income from investments from her late husband's estate, but opted to work as a postmistress to supplement her cash flow. Pearl lived with Aida as a companion and help, first at Cleveland and later at Swansea. Joe occasionally referred to 'Mrs Walch' in his early letters to Enid, telling her before their planned trip to the East Coast in early 1915, 'I'm sure you'll like Mrs Walch and Pib Bailey but I don't think they'll like you!' This was a tease, of course, although he might have worried there was a hurt lingering for Pib. Decades later, members of the extended Bailey family would refer to Joe as having jilted Pearl. In fact, when Pib Bailey heard of Joe's engagement she wrote, warmly congratulating him, on 27 November 1914. In late February 1915, Aida Walch wrote that she was sending Joe and Enid a swan, then popular for eating. Joe reported cheekily to Enid, in a hastily written letter on 22 February forwarding the package, that it had arrived safely on his desk – its head off.

On 4 July 1909, during the opening sitting of state parliament and shortly after Joe's first speech to the House following his

election, Aida Walch asked Joe to sign her autograph book. In his unmistakable handwriting and with his signature underlined at the end, Joe wrote some lines from Tennyson:

The old order changeth yielding place to new,
And God fulfils himself in many ways,
Lest one good custom should corrupt the world.

The words were written out by Joe from memory, word perfect. Taken from *Morte D'Arthur*, the lines appear to reflect Lyons' enthusiasm with and confidence in the growing strength of Labor, which, he believed then, would overturn Tasmania's social and political order. But the words also held resonance for any memories Joe may have had of his time with Pib in Conara.

Joe never revealed this earlier love to Enid. Perhaps it was too painful, or never fully resolved. These are but conjectures. There is some evidence in Joe's letters to Enid that she sensed a special relationship between Pib Bailey and Joe which he simply denied as being of a romantic nature then or in the past. In a reference to something Enid had written by way of a jealous tilt at his visits to a family in Hobart, almost certainly the Baileys, Joe replied on 9 October 1914 – just a week after he had proposed – 'For Goodness sake do not make any reference to jealousy of my girl friends. The girl I spoke of [Pearl] is a member of a family with whom I have been friendly for over ten years and I occasionally go out and see them. They regard me as a brother and you will understand that there is no danger when I tell you that the youngest girl is exactly my own age.' The 'girl' he meant was Pib Bailey, who was just a few months older than Joe.

Certainly, Joe's recollections to Enid of any romances before he met her were well-edited versions, as if he had never spent time with another woman. One story he told was of his desire for a woman who lived nearby but for whom he never declared his love. Was this his way of easing his mind about Pearl, for whom he had more than

declared his love? He was not shy in their relationship; certainly not in the letters he wrote. But he had been unwilling to carry out his commitment to Pearl, for whatever reasons. So Enid was told only a fragment of the truth – in very symbolic recall. Did Joe feel guilt at the way he and Pearl had parted? This is more than possible. Yet, as a few years passed, he obviously had convinced himself they were only ever good chums, editing out more intimate recollections.

Pib Bailey and Joe drifted apart romantically, somehow. Perhaps at issue were Joe's postings, or his inadequate salary combined with his family responsibilities to his mother, sisters and youngest brother, Tom, all still living with limited income in Ulverstone. Perhaps the difference in their religion, since Pearl was not a Catholic, also caused difficulties with Pib's family or Joe's, although this did not seem a problem at the Bailey end since one of Pib's siblings, Lillian, married a Catholic and converted. For whatever reasons, Pib Bailey lost Joe, first to appointments in Tullah and Smithton (so far away) and then to the Workers' Political League. Within a year or two, Joe had fallen in love with politics, enjoying the small town fame of it all. It would set him up for later life when he was hardly ever home, but by then matched with an adoring, much younger woman who tolerated (and often joined in with) his public round of engagements. Shortly after the parlour game evening on 22 June 1905, at which he revealed his fears and favourite things, Joe received word that he had been posted to Tullah, a mining town on the west coast where he was to open a school. The electoral rolls for 1906 indicate that Pearl left Cleveland soon after. By 1909 she was the assistant postmistress at Pontville. Later she became postmistress at Mathinna.

The Department of Education

Joe Lyons had chosen a profession which, in Tasmania during the first years of the new century, would generate deep political change

and discussion. Education was at the forefront of leaders' minds, not only because of the growing need to provide tuition for people growing up in the decentralised network of towns and communities of expanding settlements, but also because of new ideas forcing a rethink of how children were to be trained and fitted out for modern society. 'New Education' was the buzz phrase at the time, and in February 1904, Tasmanian Premier William Propsting set up an inquiry into Tasmania's system of primary education. Propsting had worked as a teacher in South Australia under William Neale, headmaster and 'New Educationist', who had gone on to become an inspector of South Australian schools. Propsting appointed Neale to head the Tasmanian inquiry.

Lloyd Robson in *A History of Tasmania* describes the system of primary education in Tasmania around 1900 as the 'most backward in Australia and largely disorganised by political influence'. Teachers, or 'masters' as they were then called, wrote Robson, were retained and promoted 'when they were well past their best', while the Department also 'placed and promoted unqualified teachers left, right and centre'. The case of Joe's sister Mary Lyons is also instructive. In spite of passing her examinations and becoming a registered teacher in January 1901, Mary was unable to gain a posting in the Department. In August 1902, Director Joseph Masters wrote to her that owing to 'careful economy of the funds of the Department, vacancies are now being filled as far as possible without going outside the service'. Women were regarded as less employable than young men. On documents relating to Mary Lyons in the Tasmanian Archives, 'A J Brockett Esq' (later an enthusiast for Neale's 'New Education') has scribbled a note as an 'Inspector of Schools' that 'Miss Lyons seems bright but doesn't look more than 14 years old. Small for her age.' It is dated 3 November 1900 when Mary would have been nineteen. Meanwhile, at Catholic convent schools mushrooming across Australia, young women like Mary Lyons were facing growing numbers of children in their rural and city classrooms.

Neale's report on Tasmanian government schools was scathing, but it also set him up as a man of vision and strength to carry reform. His study of the 'New Education' impressed his political masters, and, as Lloyd Robson points out, such theory about the reform of education and its language 'was known only to a handful of Australians at the turn of the century'. The Propsting Government was not a success and lasted only fifteen months. Its ministry was mocked as a 'team of boys', which Frank Green describes in *A Century of Responsible Government 1856–1956* as a ministry made up of a group of young MPs among whom was Carmichael Lyne. But on the basis of Neale's Report, incoming premier Captain John Evans appointed Neale as the new Director of Education. Joe Lyons' sudden move to Tullah in July 1905 was part of the Neale expansion of schooling. But Neale had picked the wrong man if he hoped for a quiet start in Tullah.

Glyn Roberts, in a paper presented to the Tasmanian Historical Association in 1995, describes the remoteness of the 'village' of Tullah in its beginnings and also how it changed in character as the families of miners began to settle there after 1900. By the time the Department of Education chose to establish a school in the town, there were nineteen pupils for Lyons to teach but he had no desks or small blackboards for the children to write on (they'd been ordered late and delayed in delivery). What's more, it was winter and freezing, there was no heating and the roof leaked melting frost during the day. Lyons complained bitterly to the director and refused to open the school for a fortnight. In true Neale style – and the correspondence books in the Tasmanian archives are full of such intemperate replies from Neale to teachers on various issues – Joe was told he could have managed without the missing items until they arrived. Wrote Neale, as quoted by Kate White in *A Political Love Story: Joe and Enid Lyons*, 'under special circumstances a teacher should have exercised a little ingenuity and by means of borrowing a few boards and boxes arranged to carry on school in a temporary way exactly

as for instance a missionary might have done in a foreign land'. The document has since disappeared from the file, along with other reports on Joe Lyons. But the record has been kept in quotes from its findings by Brendan Lyons and Kate White.

This incident is revealing, for in part the director was right. No doubt Josephite founder Mary MacKillop, or any of her sisters, would have managed in a missionary situation with whatever they could use to improvise. Children can be instructed in all manner of ways – not just with desks and blackboards. No doubt, in part, Joe was upset at his posting so far from Pearl and in no mood for privation. But Joe was also a stickler for departmental standards. He was not a missionary; he was an employee of a government department. And his attitude was ripe for an alliance with others who felt a similar angst at such treatment by departmental heavies. Within weeks, Joe was moved to become head teacher at Smithton on the far north-west coast, just west of his home town of Stanley. Horace Bond Pithouse caught up with him here and related how Joe found his political milieu in Smithton by way of a debating society.

Horace and Joe spent a lot of their free time together, fishing mostly and rambling about the scrub. Then Horace found that Joe had an interest in politics and took him along to the fortnightly political debates he and a few others had organised. The first debate Joe attended was on protection versus free trade. According to Horace, Joe was the last to speak and offered a few emotional and 'stammering' words in support of protection – 'to save that sweating of blood of labourers which free trade meant'. Horace, who felt somewhat isolated as a supporter of the fledgling – and extremely unfashionable – labour movement in Tasmania, took heart from Joe's words and declared to the audience: 'I am convinced that the best thing for Australia would be a judicious policy of protection combined with the present platform of the Australian Labor Party.' To which Joe yelled, 'Hear, hear!'

Apparently, the members of the tiny audience were open-

mouthed at the rawness of it all and immediately organised another debate, 'Capital V Labour', with four on each side. When the day came, such was the interest, the usual attendance of twelve was swelled to a crowded dance hall of 80. And Joe Lyons, according to Horace, was the star of the show, finishing in a reply which Horace described as 'incisive, cutting, logical and with good-humoured ridicule that made opponents laugh in spite of themselves'. 'Labour' was declared the winner by 60 to 20 votes. Soon after this, Horace and Joe, along with a handful of mates, founded the first Labour League (ALP) – then called the Workers' Political League (WPL) – on the north-west coast. 'Joe was the fourth man to pay his sub,' wrote Horace.

None of this was a help in Joe's teaching career, although if Joe Lyons' worst misery was 'being unpopular' he had certainly found a small fan club at Smithton. Horace Bond Pithouse and another friend, George Allen, were already encouraging Joe to seek a parliamentary seat as a Labor candidate. But, as Horace records, 'He was dubious as to the advisability of taking the risk. He was poor. He had no other profession and it meant resigning with just a remote chance of re-admittance to the Department if he failed at the poll.' Moreover, Joe's political activities had won him the disapproval of the director: Pithouse records that Joe was forced to resign from the league and warned not to take part in further political activity. At the time, government teachers and public servants were banned from political involvement, a matter that was still being debated when Joe Lyons was leader of the Tasmanian parliamentary Labor Party in the 1920s, in spite of a resolution in the Tasmanian Parliament in September 1907 to permit civil servants the right of all citizens to take part in public debate.

Political involvement became the turning point in Joe Lyons' teaching career, although he was yet to realise it. He was inspected at Smithton upon complaints from some of the parents, undoubtedly because of his Labor activities, and the report was extremely critical.

But the inspector's report took time to reach Director Neale, and after receiving a request from Joe to be moved, Neale initially wrote on 19 March 1906 that he had recommended a transfer for Joe to Mooreville Road School at £105 per year. More than an MP's salary. A day or so later, however, the inspector's report reached Neale. Brendan Lyons quotes from the report, which has since disappeared from the Tasmanian archives. R H Crawford, from his inspection made on 12 March 1906, judged that Joe was 'thoroughly unsatisfactory', 'neglectful', 'idle' and had disobeyed corporal punishment regulations by caning a student in front of other students. Neale's letter to Joe, on 21 March, did not mince words: '... this report is of the most unsatisfactory character possible'. On 22 March, Neale wrote that he would rescind his recommendation for Mooreville Road and the salary increase.

Lyons' time at Smithton was over, as was his chance of promotion. He was moved to a posting at Pioneer, a north-west mining town, in April 1906. His old salary remained in spite of the small size of the Pioneer School in comparison to Smithton. Neale appears to have been appeased by the letter of explanation sent by Joe as to what had occurred in Smithton.

In Pioneer, Joe Lyons was loved by parents and the community generally. He blossomed, regardless of the shanty schoolhouse he managed in the backblocks. He felt at home. When Joe moved on at the end of 1906 to enter the new Teachers College in Hobart, the residents of Pioneer wrote of their profound gratitude: 'You have identified yourself in every way, with all movements tending to the advancement of the district both intellectually and socially, and your efforts on behalf of the Debating Society, the Cricket, Football and Cycling Clubs will always be remembered with pleasure.' The document can be viewed at the Mining Museum in Derby, Tasmania.

Politics

Set up by reformer and Education Director William Neale, Tasmania's Teachers College began small in 1906 in order to train students who had completed their final year of primary school – Grade VIII – and who had passed the entrance examination to the college. Before the completion of the Philip Smith Teachers College on the Domain in 1911, classes were conducted within the Hobart Technical College, with teaching practice classes at Battery Point State School. Joe applied and was accepted under a category of senior students who made up a small number of hand-picked practising teachers who wanted to retrain.

Joe's studies at college were successful and he passed easily in all subjects, gaining distinctions and matriculating at the end of 1907, aged 28. His time in Hobart, however, was more significant for the growing political affiliations and connections he was making. At the Teachers College, wrote Pithouse, Lyons advocated the formation of a teachers union among the students and found himself in 'hot water'.

Philip Hart has noted that outside of college life Joe joined a Fabian discussion group at the Labor Party's Denison branch and befriended Lyndhurst Giblin, a son of former Tasmanian Premier William Giblin. After various adventures at King's College, Cambridge and the Canadian (Klondike) gold rush, Giblin had returned to Hobart and taken up an interest in economics and politics. He would follow Joe into the Legislative Assembly for the seat of Denison in 1913, and, after serving in the First World War, become the Tasmanian government statistician in 1919. Giblin, as a prominent economist of the 1920s and 1930s, would have a profound impact on Joe Lyons' career. Giblin's discussion group gave Joe Lyons, country lad from the much less centralised north of the state, a rapid introduction to the urban literati. Giblin had grown a beard and popularised his group as 'socialist'.

Richard Davis describes in 'Tasmania' for D J Murphy's *Labor in Politics* how the Denison discussion group attracted an eclectic array of eventual Labor notables, from Tasmanian Labor leader John Earle, to Labor MP John Palamountain and English socialist Gilbert Rowntree, to Prime Minister John Curtin's father-in-law, Andrew Needham. On his return to the north, with a posting to Launceston, Joe Lyons would continue his political education. In March 1908, he was elected to the committee of Launceston's Number 2 branch of the WPL.

During 1907, Director Neale's reforms of the Tasmanian Department of Education and his dictatorial manner with teachers became an issue. Lloyd Robson in *A History of Tasmania* captures something of the new broom sweeping too clean an approach, writing of Neale: 'It was as if Governor George Arthur had reappeared in the land, equipped with a direct line to a Supreme Being and convinced that he had a mission to the heathen among whom he felt himself set down.' There was unrest among teachers.

With Dr J S C Elkington (appointed by Premier Propsting in 1903 as Tasmania's chief medical officer after an outbreak of small-pox in Launceston had quarantined Tasmania for weeks), Neale was determined to clean up Tasmania for its children. A number of reports on health and education were made during 1904–07. As Robson put it: 'Neale and Elkington were a formidable pair. With all the subtlety of a wrecking crew ... [they] set about the demolition of institutions and assumptions.' Everything from the architecture of school buildings to hygiene: enrolments, attendance, salary complaints, the standard of teaching practice, absenteeism, school lighting, furniture. And then in January 1906 Neale began to import trained teachers from South Australia.

There is no doubt that Neale's reforms were overdue. In his report of 1907, Neale unfavourably compared Tasmania with Victoria and New South Wales. In an election speech for the state seat of Wilmot two years later, Joe Lyons himself would compare

Tasmanian schools unfavourably with New Zealand schools. The criticism had currency. Neale's report also claimed that 35 per cent of Tasmanian children between six and fourteen were not at school. But Neale went overboard when he accused some Tasmanian head teachers of only being concerned with personal advantage. Democratic politics requires a diplomatic approach and Neale had none of that.

It is true, as noted by Richard Davis in *Labor in Politics*, that Tasmania was unlike mainland Labor parties in lacking a union base with its foundation. However, such was the upset caused in Tasmania by the Neale reforms, the Tasmanian Teachers Association found itself becoming the spear for political opposition to the government. Derek Phillips, in *Making More Adequate Provision*, has noted that Joe Lyons was also one of eleven students at the Teachers College who supported the Teachers Association's public attacks on Neale. In a letter dated 29 April 1907, the Tasmanian Teachers Association had been critical of Neale, the (alleged) promotion of teachers from South Australia over local staff and the introduction of free education. When the letter's contents became public, the association was rebuked by the Minister for allowing it to be leaked. The tussle between teachers and minister became something of a free-for-all from then on and within a year was being debated in parliament. And as the teachers pushed up from below, the *Mercury* newspaper and its conservative base in the Legislative Council weighed in from above. Neale was opposed on two fronts. In the simmering battle, as he increasingly became involved with the Teachers Association, Joe Lyons would gain the notice of parliament as well.

The government appointed a Royal Commission to look into the teachers' complaints. On 1–2 July 1908, at the annual conference of state school teachers, Neale was heavily criticised. Over two days, both the Hobart *Mercury* and the Launceston *Examiner* gave columns to covering the conference at Hobart's Central School on the corner of Murray and Bathurst streets during the crisp, cold weather

of a Hobart winter. Daily maximums were around seven degrees fahrenheit outside, while temperatures inside rose immeasurably.

On 1 July, Neale successfully fended off questions from Mr Holmes, newly elected secretary of the teachers union, about alleged inequities of the teachers' superannuation scheme – although not without a cutting riposte while refuting a question saying he could not believe that the 'teachers of Tasmania are so simple'. Reports of the second day, however, made more of teacher Joe Lyons' spirited attack on newspapers as writing 'rubbish' about the conference. They showed Lyons to have put a well-founded argument against the more favourable treatment for South Australian teachers imported into Tasmania, using his own case at the Glen Dhu State School in Launceston where he had been posted after his year at college. The New Education was itself under attack by the Teachers Association, with its president, Mr Loy, saying, 'What was new was very little of it good; what was good was very little of it new.' At conference end, Joe Lyons was elected as part of a deputation to meet with the Minister for Education the following morning.

Joe Lyons' complaint about his treatment at Glen Dhu soon became a test case for the government. It involved his not being paid adequately for temporarily acting as headmaster at Perth, a small town south of Launceston, and for not being given charge of the Glen Dhu State School when the headmaster was away. Instead, he was inspected, with an unfavourable outcome, and removed to Wellington Square School without promotion. Meanwhile, there were cases of imported South Australian teachers being given acting positions, promoted and paid more highly. On his removal to Wellington Square, well-trained and experienced local Joe Lyons had been replaced at Glen Dhu by a South Australian teacher who was given the principal's position. Both Lyons and the Teachers Association clearly regarded Joe's inspection at Glen Dhu as a stunt to punish him for political activities. A House of Assembly resolution in September 1907 had given civil servants the right to take part in

public debate, but the government now saw Lyons' political involvement as crossing boundaries. He, a government employee, was drawing favourable notice for the Labour League and, ultimately, Labor's seven parliamentary members. The infant Tasmanian Labor Party, through the Teachers Association, was gaining traction and unsettling politics generally.

Not surprisingly, the Department and the Minister dug in. In October that year, as reported in both Hobart and Launceston newspapers, Minister Propsting made his explanation to the House of Assembly. His actions, unwittingly, made Joe Lyons central to the opposition's case about the injustices of the Neale reforms. As the *Examiner* reported on 17 October, teachers' union secretary Holmes had argued that the Department was avoiding the authority of the departmental committee classifiers – those who made teacher appointments – by using transfers to move teachers. This was so in the transfer of Joe Lyons to Wellington Square school rather than promotion to acting principal at Glen Dhu. In the Department's defence, Minister Propsting took time to background the Lyons case in the House, elaborating on a comparison between Joe Lyons and a South Australian teacher, Norman Edwards. But the Minister's explanation could have been interpreted either way and for many he had not explained why Joe Lyons had been demoted. South Australian Norman Edwards had received a more lucrative outcome than local boy Joe Lyons, who was now something of a public curiosity.

Joe Lyons' appearances at Labor Party meetings were being noted. On 8 October, his address two days earlier to a Stowport Labor meeting was reported in the Burnie *Advocate and Times*. The report indicated he had spoken for over an hour – quite an advance on the 'stammering' offerings of his first appearance at the Smithton debating group a few years earlier. Joe had become an adept public orator, described by the *Advocate and Times* as 'a fluent speaker' urging the 'claims of the party at the next state election' and

suggesting that a ‘combined effort may give Labor a majority in the next House’.

At the October sitting of parliament, Premier (Captain) John Evans moved a motion that the House rescind the 1907 resolution allowing civil servants to take part in political debate. Reported on 17 October in the *Mercury* under the heading ‘Civil Servants’ Public Criticisms – The Case of Mr J A Lyons’ there was no doubt about the identity of the civil servant who had so riled the Premier. James Long, Labor MHA, weighed in on the second day of the debate, saying Joe Lyons had wired him to say he had not criticised the Education Department during his Stowport address, but had only elaborated on Labor policy. This, said Long, was not a breach of a civil servant’s code of conduct. Premier Evans argued back that civil servants who spoke publicly would ‘sooner or later come into conflict with the government’ whom they served. Conservative Herbert Payne, founder of the Reform League and Member for Burnie, supported the Premier, adding that Joe Lyons had spoken at Ridgely a few nights after the Stowport meeting and urged a government defeat at the next election and a majority for Labor. This brought cheers from the small but invigorated Labor MP contingent and the motion was eventually lost on the voices, to Labor’s delight. The dispute over Neale was playing to both Labor and Lyons’ interests.

A political rookie

The decade after Federation brought a transformation of the Tasmanian political landscape. Prior to the turn of the century, parliamentary groupings had been loose alliances around strong personalities. Limited franchise, determined by income and land, ensured that men from the more established families easily won most seats, often sitting on municipal councils as well as in the parliament. Government and opposition lacked political party labels. In Hughes and Graham’s respected *A Handbook of Australian Government and*

Politics, the results of the 1906 Tasmanian election list the government as 'Ministerialist' seats and the largest group of its opponents as simply 'Opposition'. Only Labor seats get a party affiliation. Patrick Weller's 'Tasmania' in *The Emergence of the Australian Party System* and Frank Green's *A Century of Responsible Government, 1856–1956* describe in detail the personality-driven politics of these early years in the island state where geography and a lack of infrastructure separated locals into distinct areas cut off from each other. The west coast had scant contact with Hobart and a rail link only to the northern ports. The north looked as much to the mainland as it did to Hobart: the time to travel to either was much the same.

The average number of voters in any Tasmanian electorate in 1906 was just 2543. With the introduction of the Hare-Clark system, multi-member electorates and proportional representation, in 1909 in a total of five electorates, roughly tracing the island's separated, local communities, 19 157 voters (3192 per MP) elected six members for each seat. The political picture was small, parochial and intimate – and overdue for a growth of new movements such as the Labor League. Moreover, nagging economic and social problems alongside a sense of disadvantage vis à vis the mainland gave increasing credence to populist and radical views. In this hothouse, men like John Earle and Joe Lyons found a natural fit.

Joe Lyons had transformed in these years from the shy young man Horace Bond Pithouse had met in Smithton to a full-on Labour League operative. With the exposure to sophisticated politics and economics at the Denison branch discussion group and his matriculation from Teachers College, Lyons had gained confidence. He liked the social round and had become quite gregarious, apart from also believing fervently in the Labor cause. An anonymous former Labor colleague, signing off as 'exile' from New Zealand ('Maoriland') and writing to the Labor newspaper the *Clipper* in June 1909, recalled Joe at a mass meeting on Hobart's Domain where Joe had walked up to him and introduced himself, what the writer described

as ‘a bold and forward thing to do’. The writer noted a look of ‘earnestness’ in Joe’s eyes.

During 1908, his year at Launceston, Joe Lyons spent most of his non-teaching hours organising for the Labor Party. His mates were the men of Labor groups; only the ladies they met at Labor meetings broadened their social life a little and they were eager for as many ladies to become politically involved as possible – for the party. A report in the *Clipper* on 4 July 1908 captured something of the energised satisfaction men like Joe Lyons and political colleague Jas Guy experienced in their Labor endeavours. It was an embryonic movement, easily moulded by its small band, one that had known tough times but could now feel the mood was swinging its way. They were on a roll. The report in the *Clipper*, a newspaper historian Lloyd Robson once described as ‘a late nineteenth – early twentieth century *Private Eye*’, captures their sense of adventure, ‘boys own’ at times:

Hearing from local Laborites that Longford [24 kilometres south of Launceston] was ripe for conquest at our hands, General Guy headed a party of nine true blues from the city and took the place by storm on Wednesday night June 24 ... A good crowd had collected there to hear the Gospel of Labor expounded by some of those who ought to know it, and to judge by their frequent applause they seemed to know something about it also. After Messrs J Lyons and Jas Guy delivered sterling addresses ... the Rev G Moore moved and Mr W Ely seconded ‘That a branch of the TWPL be formed in Longford.’ Carried unanimously with great noise. Forty-three of those present at once enrolled as members ... By the aid of several of the powerful arc lamps (!) installed in the main street of the town, we found our way on to the main road and let things take their course (at least those inside the cab did), well pleased with ourselves and things in general.

Invigorated and earnest, Joe had developed the appetite of all successful politicians for travel and meetings. The young man who had not wanted to leave Stanley at the beginning of 1901 had, within a few years, gained a reputation among Labor stalwarts for his tireless journeying to Labor gatherings the length of Tasmania. As the *Clipper* correspondent put it in June 1909, 'If ever he [Joe] got a few hours off, he jumped into a train and rattled off to Launceston or Hobart to attend a Labor meeting. The more socialistic it was, the broader his smile stretched.' He recalled Joe heading down 'the Channel' shortly after their first meeting 'to hear a violent Labor agitator orate at Port Cygnet'. J A Lyons had found his milieu, a life-long love of public involvement within party political boundaries and the adrenaline that came with it from political networking and standing on political podiums.

Politics is a voracious appetite. Those who pursue it as a career must be both keenly ambitious and enthused by its risks and strategies, and have the hunger needed for being where the action is. The *Clipper's* 'Maoriland' correspondent also opined that 'a young man [Joe] who spends his spare time rushing over hundreds of miles of country to attend Labor and socialist meetings is certain to increase his candle power'. And this is exactly what Joe Lyons had begun to do from 1907 on. The Tasmanian Premier, Captain Evans, had every reason to want him silenced.

3



Member for Wilmot

I have arranged for most of the members to speak at different centres on the night before the poll so that I shall not be alone in doing my duty.

Joe Lyons to Enid Burnell, 30 October 1914

On the evening of 23 March 1909, just a year after his controversial transfer from the Glen Dhu State School, Joe Lyons returned there. The occasion that had brought him back had also gathered an eager crowd into the school's large classroom. The room was lit by tallow candles, with standing room only, bodies packed to the doors. Joe wired his friend Horace Bond Pithouse the next morning: 'Crossed the Rubicon – Launceston reception one of the best.' Tasmania's state election campaign, set down for 30 April, was in full swing.

This was to be the first state-wide election under the 'Hare' system of proportional representation, unique to Tasmania and eventually called the Hare-Clark system. Joe Lyons had finally burnt his bridges with the Department of Education and was a candidate for the seat of Wilmot. His Labor candidate colleagues, appearing alongside him at the Glen Dhu meeting, were sitting member Jens

Jensen, an orchardist from George Town who had won in 1903 and joined the Labor caucus, and Martin Kean, first president of Labor's Mt Lyell branch, who drew laughs from the audience by saying he had just arrived from the west coast where they had rain and politics galore.

Joe Lyons spoke after MHA Jens Jensen. Newspaper reports of the meeting indicated that newcomer Joe Lyons exhibited the confidence and ease of a well-practised orator. He gently mocked his inexperience, saying he could not tell the audience, as Jensen could, what he had done in the House as he had never been there, but as to charges of youth on his part he could not get any younger, and indeed it would be better for the Legislative Council if more of its members were closer to him in age. All of this drew hearty laughter. Then he explained what had brought him to seek nomination as a candidate for the Labor Party and Wilmot, using his background as the son of ordinary Tasmanians living in the shadow of the Stanley Nut and its local monopoly, the Van Diemen's Land Company, emblem of the disparity across Tasmania between landed and dispossessed. In Tasmania, one per cent of the population held 90 per cent of alienated (privately owned or tenured) land, forcing Tasmania's young to leave the state. Lyons also spoke of his experience with the Department of Education as further evidence of the lack of opportunity and freedom under the conservative Evans ministry, which, he believed, would not survive the election.

In 1909, Joe Lyons may have been a rookie as a Labor candidate but his short year addressing Labor meetings had prepared him well. He was tactically wily, managing to slip into his speech something of his notoriety with Premier Evans, as reported in the Tasmanian *Daily Telegraph*, describing 'how political freedom had first been granted to civil servants and was then withdrawn, when the Premier observed that the speaker [Lyons] had been discoursing in the interests of the Labor Party'. Lyons was on message, at every turn making a hard point against the conservative elite that

had dominated Tasmanian politics for so long. He wanted equal pay for men and women, and not just a living wage but a healthy environment for workers; he dealt with the Workers Compensation Bill and the factories legislation, and even the abolition of the office of the state Governor – all long-held Labor principles. He concluded in an upbeat tone, saying that the Premier had said he wanted to have a fight with the Labor Party and Labor dearly loved a fight.

This was a new Joe Lyons, risking his financial future for a gamble at the polls. The gamble would pay off but he had no idea of that in March 1909. Joe Lyons' resignation from the Department of Education was to date from 12 March, but even as he addressed the crowd at Glen Dhu State School the matter was far from settled. He had advised the director, while still at Wellington Square as far back as November 1908, of his 'probable' intention to resign. A month later he had changed his mind. As he had once made clear to Horace Bond Pithouse, forfeiting a secure profession for a chance at a seat in parliament might leave him high and dry if he lost. Others who had tried for seats as Labor candidates had been ostracised by their former employers. John Palamountain had lost his lay ministry in the Presbyterian church after becoming a Labor activist. And, as Richard Davis noted in *Labor in Politics*, he was not alone. Underground worker J Long, at Mt Lyell, was dismissed by the company for his Labor activities.

By February, however, Joe was ready to go. His posting as head teacher in Beulah, a village south of Devonport, was enough to convince him. The state election campaign was by then just weeks away. There wouldn't be a chance like it again. He moved out of the school as soon as Mr Gillespie, his replacement at Beulah, began on 12 March. This was also the day the findings of yet another Royal Commission into the Department of Education were released – these recommending the removal of Neale and, as the *Examiner* reported on 12 April, finding at one point that the tone and language of some of the director's correspondence was 'reprehensible'.

The final paperwork for Joe's resignation was delayed for weeks while the Department awaited formal confirmation from Lyons. Within days of leaving Beulah, he had moved to Longford, then on to Perth and later Deloraine; letters took weeks to reach him. All this suggests Lyons was completely absorbed in campaigning and giving little thought to the finer details of his resignation. He showed signs of indifference to such paperwork, even if anxious to settle up his bond status and small superannuation payout. And if Joe Lyons wanted to become an MP, he needed to sort out the legalities quickly. Eventually, a new bond agreement was drawn up. Joe's brother Arden, then running a hairdresser's business in Wilmot, and his father, Michael, still living in Ulverstone, went guarantors for Joe's repayment of money owing as a result of his resignation. Finally, after fourteen years of service, Joe Lyons was no longer an employee of the Department of Education. For once, Lyons was not regretting a drop in salary – even if he won Wilmot, his yearly earnings would be reduced annually by £25 to £100 as an MP. This amount would not increase until late in 1913 when an MP's yearly salary jumped to £200, following Lyons' motion in the House for an increase on the grounds of inadequacy, especially after introduction of the Hare-Clark system which required MPs to serve vast electorates.

Joe Lyons was certainly not in politics for the money; he was fired up, passionate and grabbed by a youthful belief that he could change society for good as a politician. Philip Hart in *Labour History* (vol. 9, 1965) has pointed out how even as Lyons began describing himself as a 'socialist' after his time with Giblin and the Denison discussion group, his philosophy was more instinctive than doctrinaire. Hart described this as 'political emotions rather than precise political doctrines ... a mixture of republicanism, vague utopianism, and a basic reformist belief that the workers should have a better deal'. But it was also what today would be regarded as a more pragmatic approach, a sense of politics from the bottom up rather than

forcing platforms on electors from above as from some enlightened or elite figure. Lyons' approach reflected both the conservatism of Tasmanian politics and the diversity of Labor members in the island state. For a time, especially in the years following the First World War, Joe Lyons flirted with the more radical programs proposed at party conferences, but he was always in tune with the vibes coming from electors – balancing the art of the possible with a passion for the 'little' man.

Political groupings in Tasmania were becoming more defined around policies as the first decade of a new century ended. Those known as liberals – the more reformist-minded MPs who had picked up messages from a broadened franchise that many ordinary people now mattered – had temporarily delayed the advent of more impatient reformists daring to call themselves socialists, men like Joe Lyons, John Earle or Lyndhurst (L F) Giblin. The Propsting administration, from April 1903 to July 1904, developed a reform program that included government purchase of large estates, as well as policies for industrial arbitration and conciliation. For a time, this attracted voters who were wary of the more extreme stand of Labor. But Propsting was unable to get his bills through the Legislative Council, because of what Frank Green in *A Century of Responsible Government, 1856–1956* put down to inexperience and hubris.

When Propsting resigned in 1904, hoping the Governor would ask him back, the more conservative Captain John Evans outplayed him and seized the numbers in the House. Thereafter, a fusion of liberals and conservatives was maintained sufficiently for the Evans ministry to last five years. However, the conservative–liberal fusion was unable to handle growing discontents around a sluggish economy with a politically maturing suffrage. With the introduction of proportional representation, Labor, with its party 'pledge' of strict loyalty to Labor rules and party interests, outpaced its rivals as the only grouping that could manage relative party discipline. In the election of 1909, all this played to Labor's advantage with a sudden

increase of seats, so that after the election Labor became the real opposition.

Labor-leaning critics have often judged Joe Lyons as never having been a true Labor man. Joe's move to the conservative side of politics in 1931 undoubtedly influenced this sort of opinion. Lyons would thereafter suffer the tag of Labor traitor from many in his former party. But with the unravelling within Australian Labor of its hard-left agendas and the economic reforms of Bob Hawke and Paul Keating, Lyons is now better measured in more rational terms. Lyons was a modern Labor man, and his leadership within Labor fits well, especially with the more pragmatic times of almost a century on. Judged against a Bob Hawke or a Paul Keating, Joe Lyons emerges as a familiar Labor bloke. He spoke the vernacular of the ordinary man and woman, and he knew when to compromise the dogmas of the party for the common good.

By the time he had become seriously involved with the WPL, Joe Lyons had absorbed the main prongs of Tasmanian Labor's policy fundamentals – arguing for the breaking up of wealthy estates for closer settlement, improvement of workers' rights and working conditions, better infrastructure for towns and smaller acreages, solving the problem of public debt and its consequent rises in tax for the working man, and abhorrence of Tasmania's population decline and the stagnation caused by 'old parties with old policies'. Labor was the new voice, the modern way ahead. Lyons had absorbed the mantra and he believed in it. As a member of the Tasmanian Teachers Association, he moved as easily into the ranks of Labor's Tasmanian network as he might have done on the mainland as a union organiser.

Campaign 1909

Campaigning with the team of Labor candidates for the seat of Wilmot, Joe Lyons and Martin Kean, both without parliamentary experience, were paired to speak at towns and hamlets along a

Devonport – Deloraine – south Launceston axis, addressing meetings daily. The electorate of Wilmot (called Lyons after 1984) took in – and still does – a vast slab of the middle of Tasmania, or virtually what was left of the island after distinct local areas were drawn up as multi-member electorates for the ‘Hare system’ from 1907. In 1909, with the difficulty of communication and transport, the only way to effectively tap into votes was to concentrate on areas of denser population where candidates were known. Hence Joe Lyons was often greeted as the local boy before speaking, while Martin Kean was not well known. But together they worked the meetings successfully. The *North-West Post* on Saturday 17 April reported that Lyons and Kean were congratulated two evenings earlier on being the first Labor representatives to have ever addressed a meeting in Wesley Vale.

Newspaper reports of Lyons’ meetings often noted the number of women in the audience – whether this was a result of his bachelor good looks cannot be calculated. Joe Lyons was also a new sort of candidate. His photo in the Launceston *Examiner* on Saturday 3 April showed an attractive young man in contrast to most other candidates, who were older, sometimes whiskered and often portly. Joe Lyons was still 29 and does seem to have had what today would be called a ‘chick magnet’ effect as a public speaker. This was a time before compulsory voting. On his 1912 election posters Lyons included the words ‘Ladies Specially Welcomed’. It was a niche pitch and very clever. And Joe Lyons would continue to hold very modern views of women’s roles throughout his life – he genuinely believed women could take their place in public, a view that was in distinct contrast with his Labor contemporary, the future prime minister John Curtin. In *John Curtin*, biographer David Day described Curtin as holding ‘a relatively conservative vision’ of women returning ‘to the home where they would be restricted to domestic duties in their crucial role as breeders and nurturers’. In their married life much later, and in spite of their very large number of children, Joe

and Enid Lyons both worked the public circuits, largely because Joe believed his wife not only was a vote winner but also had a contribution to make to public life.

In 1909, as Tasmania's Labor candidates made their moves across electorates, a network of volunteers, including many women, drew up and helped maintain their speaking itineraries. On the road, Joe Lyons and Martin Kean bedded down with 'brothers' of the movement, as they termed each other – families who supported the party. A photograph of Joe Lyons on his bicycle electioneering in 1912 shows how they got about. Distances between towns were not so vast by carriage or train, but while riding a bike was better than walking, it was still a tiring way to get around. Yet his was a generation of rural Tasmanians familiar with having to walk long miles between destinations, so a bicycle was a luxury and saved on train fares.

And so they moved about, from Launceston on Saturday, with the area around Deloraine the week before, to Forth on Tuesday, Devonport Town Hall on Wednesday, Wesley Vale on Thursday, Northdown State School on Friday, Hartford St School on Saturday, Latrobe on Monday, Lower Barrington on Tuesday, Railton on Wednesday and then on to Nook and West Kentish and other towns in between, village by village, town after town. Their Labor mates in other electorates were doing likewise: Jas Guy in Bass, Jim Ogden and James Belton in Darwin, John Earle in Franklin, Bill Sheridan and Walter Woods in Denison and so on. The final rally for Joe Lyons was an open-air mass meeting in Devonport on Thursday 29 April, the eve of a Friday election day. In the *Examiner*, voting paper illustrations for the new Hare system set out the candidates as they would be placed on the ballot papers; noticeably, Labor candidate names were printed in a smaller type from that used for non-Labor candidates. The underdogs were not hard to pick.

The House

Tasmanians expected their state election for 1909 would bring changes to the make-up of their parliament, but the results were not what many had imagined. The Hare system delivered not fewer Labor representatives as some thought likely, but a substantial increase – from seven Labor MPs in the old House of 35 members to twelve Labor MPs in the new House of 30 members. Over two state elections, Labor had become the opposition. The Anti-Socialist government grouping still dominated with seventeen seats. Hughes and Graham's *A Handbook of Australian Government and Politics* suggests that the one Liberal Democrat member, Robert Sadler, was favourable to a deal with Labor. However, in Joe Lyons' maiden speech, as reported in the *Mercury* in early July, he argued that Sadler 'was not sincere in his attitude to Labor'. Lyndhurst Giblin had stood as a Liberal Democrat candidate for Franklin in 1909 but failed to get elected. Soon after, Giblin moved to join Labor and would enter state parliament as a Labor MP for Denison in 1913.

In the 1909 election, after preferences, Labor had topped the polls in Bass and Wilmot and dominated in Darwin, returning four MPs for that electorate, which took in the mining districts of the west coast. In Wilmot, among first preferences, Lyons had come in third and Jensen had topped the poll. Martin Kean would narrowly miss taking the sixth seat after preferences had been distributed. Labor's success resonated immediately, taking it from unfashionable outsider to political force of the moment. The liberal-conservative alternative groupings, or Anti-Socialists, would now need to fully formalise their joint forces. By the time of the 1912 election, these non-Labor candidates would be called the Liberal Party.

Joe Lyons had predicted during the campaign that Premier Captain Evans would not survive the result. This proved correct. Within weeks of the election results, Evans announced his retirement on the grounds of ill-health. Sir Neil Elliott Lewis, who had lost his

seat in 1903 while premier and been re-elected for Denison under the new multi-member electorates, cobbled together the non-Labor forces to head up a new Lewis ministry, sworn into office on 19 June, just ten days before the opening of parliament.

Delivering his maiden speech, Joe Lyons reiterated much of the policy points he had pushed in his campaign addresses. For decades, ministerial office in Tasmania had been a game of 'ins' and 'outs' – in this Lyons gave Premier Lewis, newly sworn in again, as a prime example. Land was all too often acquired for sheep not people. The small man was hit harder by taxes than the large landowner. He spoke of young and able Tasmanians having to leave the state to find work on the mainland. The timbered backblocks left for them to farm were too hard to make them a living, while Tasmania was the state of poor wages for the worker. There were no women in parliament to speak out against the deplorable working conditions of women in Tasmania and they were being taken advantage of. He had not left teaching because of Director Neale but believed the government should let Neale go. For Lyons, teachers had kept the education system afloat in spite of Neale. Joe Lyons certainly had his mind around the weak points of his opponents – he was ready to engage as a true Labor MP.

In the first weeks of the new parliament, the findings of the Royal Commission into the Department of Education were a top priority, giving the young MP J A Lyons a chance to contribute to debates. In December 1931, a self-deprecating Lyons reflected to Matt O'Brien, for the Burnie *Advocate*, that he had sat glued to his seat in his first weeks in parliament. However, this was somewhat embellished. For a newly elected and young MP, Joe Lyons made his presence felt from the start. He was on his feet with a challenging first speech on Thursday 1 July, the third day of the House sittings, offering rejoinders and detailed argument in the debate that followed. In the days after, he took a key role in the long debates over Department of Education reform and the retiring director's payout.

The issues of the day suited him.

Neale was not without his defenders in the House, but there was little support for him staying on. The mishandling of the education issue had undoubtedly led to Evans' resignation. In the parliamentary debate over Neale's payout, Joe Lyons rose to say that he would oppose any payout – even if it was £50! Seventeen months later, in a more conciliatory speech to the House, Lyons would 'freely acknowledge' the 'good service' of Neale. But in 1909, with his detailed knowledge of particular cases in the profession, Lyons was able to raise a laugh, suggesting Neale had gone too far in his 'new' education in trying to make schools more attractive by providing footballs, while at the training college, student teachers spent far too much time correcting arithmetic at the Battery Point School. In these early debates, Lyons came across as adept at repartee and a quick learner, even if for months he spoke mostly on education matters. Neale was soon replaced and received a payout.

Another issue Lyons took up was Tasmania's problem with tuberculosis. In a private member's bill during the September sitting, Lyons argued for funds to be set aside to establish a modern sanatorium. With some amendments, the motion was carried. His grandmother Bridget Lyons' early death from the disease no doubt gave this significance for Lyons. By October, he was arguing for equal pay for equal work for female teachers, for the stipend paid to junior student teachers to be raised and for monitor teachers to be paid even if an inspector had not reported on them. He also vigorously denied reports in a northern newspaper that he did not support the new Director of Education. Aside from education matters, Lyons made clear his support for a tramway from Stanley to Mt Balfour, should the surveys be sound, and asked on 28 October what the government was planning to do with regard to the solar eclipse.

For a time after the 1909 election, Labor destabilised the House. By October, the Lewis ministry had lost control of parliament, and for a few brief days, Labor leader John Earle took charge. Then

Lewis and his colleagues regrouped to form a new ministry and took back control. Life resumed under the conservative old boys' network. But Labor had shaken the status quo and would be a force to watch by the next election.

Labor at large

In Tasmania, Labor eventually had found its own way to prominence. Labelled a 'late starter' by historians, it was founded within the milieu of a tiny and isolated population which had been forced to adapt to unpredictable economic conditions, while impacted on by radical political influences flooding in from New Zealand and the mainland. Tom Mann, a British socialist and trade unionist, had become an organiser for the NZ Socialist Party. He visited Australia regularly in the years following Federation, energising Tasmania's labour groupings on visits in 1903 and 1906. Mainland Labor figures also came. But Tasmanian politics steered its own course, developing a party grouping that responded more immediately to local diversities. The party included small business operators such as orchardists alongside skilled tradesmen and waged workers with their legitimate grievances in a state where workers' wages were a scandal.

Lloyd Robson's *A History of Tasmania* has documented how the 1906–07 Evans Government's inquiry into wages and wage-earners discovered outrageous conditions of work and payments to workers in Tasmania. The *Mercury* over 16–18 May 1907 reported how commissioners had found that Tasmanian workers in manufacturing and food-processing, among other industries, were employed for punishing weekly hours on sweat rates of pay. Juniors, especially females, were working up to 51 hours a week for as little as six shillings – some for less – and a female worker in the boot trade of eight years experience could be paid just eight shillings for 50 hours work. All of this had added to the arguments of Labor candidates during the 1909 election.

On Sunday 9 May, a huge crowd on the Hobart wharves listened to one Labor MP after the other celebrating their new strength and calling on listeners to join the Workers' Political League. Joe Lyons had attended his first WPL conference a few weeks after winning his seat in parliament. He made an impact arguing, as the *Clipper* reported on 12 June, that the Labor platform was 'inviolable' and that the Labor 'pledge' was essential if parliamentarians were to obey caucus decisions. The Tasmanian Labor conference for 1909, in Longford's Rechabite Hall, opened on 3 June and decided at the outset to conduct its deliberations 'in camera' owing to doubt over press objectivity. A vote on adopting mainland Labor's version of the pledge was defeated, in spite of half the local Labor parliamentary representatives being in favour. Tasmania was determined to go its own way. The conference concluded with a celebratory ball. That year, Labor held what historian Lloyd Robson has termed 'the largest public meeting ever held in Hobart' to celebrate its success. Forty new branches of the WPL were formed in the year 1909–10. On 4 September, the *Clipper* reported that the Devonport women's WPL group had 60 members, a record. The women had held a combined meeting with the men at which a number of Labor figures spoke, among them Joe Lyons, who called for an Australian navy and an 'Australian made' Governor-General.

Before the next state election, Tasmanian Labor would find success came with growing pains. Joe Lyons had spoken out strongly at the 1909 state conference at Longford for much-needed cohesion of representatives and ideas. The eclectic and stitched-together patchwork of collegial backgrounds in the Tasmanian party meant a flourishing of energy and creativity. But alongside that, without the authority of a governing body and strict governing rules about policy, individual members could race off in all sorts of policy directions. Tasmania had two Labor members in the first federal parliament: Dave O'Keefe in the Senate and King O'Malley representing Tasmania's seat of Darwin in the House of Representatives. But

O'Malley had only joined Labor after being elected as an Independent. Known for his eccentric self-promotion, O'Malley had shown the way to independence from any pledge. O'Malley's preoccupation was with banking. This showed foresight but made him an outsider among ranks more keenly interested in social and industrial policies.

For years, while the Hare-Clark system would deliver votes that put candidates into seats for Labor, it also encouraged Labor candidates to compete against each other for first preference votes, with candidates listed in alphabetical order of their surnames. Dwyer-Gray would hyphenate his surname in order to gain a spot closer to the top of the list. It made a difference. The voting system also kept Tasmanian Labor moderate – it had to appeal to a wide range of interests. In 1909, the Australian Workers Union established a Tasmanian headquarters at Campbelltown in the Midlands and became an important powerhouse in attracting and generating Labor support in rural Tasmania. At the 1910 Labor conference, held at Campbelltown, participants expressed Labor's gratitude for the AWU's help in the growth of Labor branches. Such gratitude continued at successive conferences, and when Labor's *Daily Post* (the *Clipper's* replacement) failed in 1918, the AWU-owned *World* replaced it as Labor's Tasmanian voice.

If Labor was to effect change as a legislative force, winning seats was a priority only if it was to be a group solidified around sound Labor principles. And divisions ran deep, both on the island and on the mainland. By July 1906, federal Labor leaders such as Billy Hughes and Andrew Fisher had pushed Labor's fourth triennial conference, held in Brisbane, to accept 'the principle of compulsory military training for all males', with O'Malley arguing in the conference debate that he 'wondered if the Labour Party had gone mad on militarism'. The details can be found in L F Fitzhardinge's *The Little Digger, 1914–1952*. While defence and self-reliance as a nation was central to a newly formed national government, it was also pertinent to an Australian Labor Party founded on a strong

belief in a white Australia surrounded by non-white neighbours. It was Labor with its policy-driven platform that was setting the standard in Australian politics. And 1909, for that reason, was to prove a watershed year.

It was not only in Tasmania that the non-Labor side of politics was forced to regroup at this time. In federal politics, the Labor Government of Andrew Fisher formed in November 1908 was in trouble by June 1909. Alfred Deakin and his protectionists had managed to create a 'fusion' or coalition with Joseph Cook's free traders and tariff reformers. No matter that free traders and protectionists had been the original opponents in the parliament. Now it was Labor that they both opposed; and so, with gritted teeth, Deakin led a newly formed Liberal Party which included former opponents. For the first time in federal politics the third force had been effectively eliminated. The Deakin 'fusion' ministry would be short-lived, however. Labor won the April 1910 federal election in a landslide, its first ever. Tasmanian Labor's contribution was significant to the federal result, capturing all three Senate positions in Tasmania and three of the five House of Representative seats. Now, not only was the political party divide settled as a two-way contest, but Labor was one half of the contest as either government or alternative government.

It was the Labor Party's decade. Capital and labour had been two sides of an intellectual struggle for some time. Payment of MPs, universal franchise and direct action around trade unions and their associated groups had brought a growing political consciousness to ordinary folk. In Tasmania, the more extreme socialist ideas would always be moderated. A decentralised population and the Hare-Clark system of voting ensured that. Proportional representation would narrow the margin of parliamentary majorities to just one seat or two for decades in a disciplined two-party contest.

At Labor conferences, men like John Earle and L F Giblin opposed adopting the language and purist notions of socialisation.

They won out. But the platform of Tasmanian Labor was socialist in intent, nonetheless. The *Daily Post*, reporting the party conference in Launceston on 1 July 1912, recorded Joe Lyons as seconding a motion by Walter Woods which moved that nationalisation of health should become a plank of Tasmanian Labor's policy. The motion called for 'free and decentralised medical, surgical and nursing services' as well as 'state maintenance of hospitals' and 'special care of maternity and protection of child life'. The motion was carried unanimously. Joe Lyons had been elected assistant secretary of the WPL at the 1910 conference; at the Labor conference in Launceston on 30 June 1912 he was elected president of the WPL. Lyons told delegates in response to his election as president that he had reached 'the proudest moment' of his life and that he would do his best to live up to 'the high standard' of his predecessors. Then he closed the conference.

Lyons as Labor man

Joe Lyons took to Labor as if to a second family. In many ways it became a substitute family. Lyons' socialist leanings had nothing to do with a reading of Karl Marx but were an instinctive move to a group with feelings for the working poor, as was the case with most of his Tasmanian Labor colleagues. And there was also the brotherhood of strong male company, strong men to follow and a commitment to social change that had suited Lyons' social conscience from childhood. Philip Hart has written that the most important early political influence on Lyons was his Irish-born mother. Yet there is little but Enid Lyons' memoirs to rely on in this. And Enid never knew Ellen Lyons, although she would have gained an understanding of Ellen's influence on her son through the family's recollections. Ellen Lyons undoubtedly passed on to her son stories of the many injustices in her country of birth, as many Irish Australians likewise heard in their beginnings. But Joe Lyons was also the son

of an Australian-born father who had prospered until his financial demise in middle age, and who, after losing his money, was unable to support his family on the small income he earned as an unskilled labourer. What shines through in Lyons' speeches, and his few recorded reflections on growing up, is his concern for the people and country that made him, for the world he belonged to.

What stirred Joe Lyons passionately were the immediate issues he saw – the injustice of low wages earned for honest and hard toil, the untrammelled power of Tasmania's Legislative Council, and the denial of education and medical benefits to those who could not afford to pay for such basic human needs. The latter was particularly pertinent in a world where it was known that medical knowledge could prevent and cure disease, and it was believed that educating people improved social order.

This was the decade of emerging social justice in the Australian states – a trend that played into Labor's hands. As Alfred Deakin's biographer J A La Nauze explained in *Alfred Deakin: A Biography*, protectionist Deakin's deals with early Labor MPs relied heavily on a transition to what became known as 'New Protection', which 'sought to impose upon employers who were aided by tariffs a legal obligation to provide "fair and reasonable" wages and working conditions for their employees'. After the 1909 'fusion' of Deakin's Liberals with the conservatives, Labor assumed the superior voice with workers for this 'protection all round'. The Harvester Judgment in 1907, which set a figure of £2 2s per week as a basic weekly wage for all working men, may have been overturned by the High Court on a technicality, but it set a benchmark payment for the states' wages boards as they were set up in the years to follow. No matter that over decades this would become an expensive millstone around the nation's neck, forcing up wages and costs to industry, thereby leaving Australian-made goods uncompetitive in a world market. All this was for the future.

Joe Lyons had strongly supported the setting up of a Tasmanian

Wages Board in the 1909 election, and, in a long speech during the parliamentary session in July 1912, he argued that Tasmania's conservative government, while supporting the *Factories Act*, had failed average workers by leaving the administration of the Act 'in the hands of the local authorities', by which he meant local employers.

It became a trademark of Joe Lyons as a young MP for him to speak out against the monopoly on Tasmanian land of a few wealthy families. On 26 July 1910, in a debate in parliament over unlocking land for closer settlement, Lyons supported state landlordism in place of private ownership. He continued, over years, to monitor the Closer Settlement program under which the government bought up older estates, divided the land and sold the smaller allotments to new settlers. Lyons found holes in the practice and brought forward example after example of overpricing by landowners in collaboration with government commissioners. In December 1912, Lyons called for 'persons and papers' to be inspected and an inquiry made 'upon all matters connected with the operations of the Closer Settlement Acts'. Ordinary new settlers were being swindled, he argued. Some wealthy landowners were offloading their poorer blocks of land to the government for the settlers and buying up arable blocks for themselves under the same scheme. He named Leopold von Bibra as one such landowner, and Commissioner Ridge who had let it happen.

From the first, Lyons also spoke out against state debt, the cost to taxpayers of repaying such debt, and what he saw as unscrupulous and irresponsible handling of government finances. Even in his later dealings with the Commonwealth Government when Tasmanian Premier, Joe Lyons' approach was to tackle the state's financial problems from the vantage point of the underdog, the little state that had to punch above its weight and needed more assistance by way of Commonwealth grants. Like many Australians, Joe Lyons sympathised with Irish nationalists and their political troubles half-way across the world, all of which his mother no doubt followed in press reports. But there is nothing in his own political actions that

suggests these troubles guided Lyons, any more than to inspire him to speak up for justice where he saw it was lacking closer to home.

Joe Lyons was an instinctive politician in the milieu he belonged to – an attribute that made him so successful. With his very large family in his later years and a wife who had converted to Catholicism, Lyons was demonstrably a faithful member of the Catholic Church's congregation. Yet he never allowed his private religious beliefs to dictate his political directions. Lyons was at pains to distance himself from Tasmania's Catholic Federation and its campaign for government funding for Catholic schools. In Tasmania's parliament in November 1910, Lyons spoke of the need for government funding for post-primary state education in the 'districts'. He said he recognised that much good work was done in secondary education by religious bodies not funded by the state. But many of these religious 'secondary schools and grammar schools' in 'country places' were 'not worthy of the name'. And he never advocated the government should help such religious institutions with funding. His stand on this was explained by Enid Lyons much later, in her interview with Mel Pratt for the Australian National Library, as being Lyons' belief that religious schools were all the stronger for having to raise their own funds – a view the Catholic Church would have strongly contested.

In fact, Joe Lyons took his policy directions from Tasmanian Labor policy which had distanced itself from government aid to non-denominational schools. Religion was a sticky issue for Tasmanian Labor operatives in the early years of the party; many of its members were Catholics. And Orange Lodge sectarians could damage Labor with ordinary Tasmanians, simply by propagandising that Labor could not be trusted because it was close to 'Rome', full of anti-British 'Irish' radicals and so on. Moreover, Joe Lyons was always a strong advocate of public schooling, having been so very much part of the Tasmanian Department of Education for many years.

In parliament throughout 1910–13, Lyons argued for teachers' wages to be improved and for state high schools to be established for secondary education, which was then only available in fee-paying private schools. He went out on a limb in November 1911 over the disproportionate salary scales for the Teachers College assistants – three women, all highly qualified – who were underpaid because they were women. Two of them had MAs and the third a Science degree. He pursued the problem of Tasmania's stagnant growth, putting it down to the monopoly on land ownership by a few and the lack of real opportunity for the young. Only borrowed money, he said, had kept Tasmania afloat. And the taxation needed to pay back the debt fell mostly on ordinary Tasmanians. By November 1912, Lyons was arguing a familiar refrain that teachers should be allowed to take part in public debate, whether political or religious. And by November 1913, he had moved a full half-circle on the compass, from arguing for an increase in population for Tasmania to stimulate growth to opposing any importing of 'outsiders' until 'Tasmanians were not either looking for land they could not get or for jobs they could not get'. Joe Lyons was, indeed, a consummate political operator.

In the 1912 election, Lyons topped the first preference votes for Wilmot. He was by then the Labor figure to watch: young and attractive, a good communicator with ordinary people, and offering strategies for ways to help ordinary people. In the campaign for the 1912 election, on 25 March, an incident with a member of the wealthy von Bibra family at a meeting in the Dunorlan hall probably gave Joe Lyons added status in his quest for the little man. Addressing an election meeting, Lyons had quoted from a select committee report critical of local squire von Bibra. Will von Bibra, one of the squire's sons at the meeting, attacked Lyons with a whip. A fight of sorts broke out, with newspapers publishing conflicting accounts of what exactly happened. Brendan Lyons gives a detailed account of it all in *They Loved Him to Death*. At a subsequent magistrates court

hearing, Lyons was exonerated of any blame and Will von Bibra was fined. After the counting of votes and distribution of preferences at the 1912 election, Labor had increased its number of MPs to fourteen and was within two seats of a majority. Labor leader John Earle knew it was only a matter of time and he would be premier.

Not long after the 1912 election, with Labor MPs in elevated spirits, Joe Lyons entertained a woman friend from Burnie at Parliament House in Hobart. It was the July session of parliament following the election. Eliza Burnell was a good friend of Joe's sister Adeline and a stalwart member of the Labor Party. She had joined the party around the time of the 1909 election. Eliza had dropped in to listen to parliament and look up her MP friends from the north, for whom she had helped campaign. She had also come to Hobart to see her two teenage daughters, both studying at the Teachers College in Hobart. Her older daughter, Nellie, joined her at Parliament House the first night Eliza visited. The women enjoyed themselves so much that they returned the next night, bringing with them Nellie's younger sister Enid, who was just fifteen. This would prove to be an historic visit for Joe Lyons and, in time, another beginning.

4



A partner for life

Miss Fahey, when I showed her your photo, said,
'She's a lovely girl!'

Joe Lyons to Enid Burnell, 24 October 1914

From September 1914, just prior to their engagement until their marriage in April 1915, Joe and Enid Lyons wrote to each other almost daily, assured that the afternoon post would arrive at the other end of the island by the following morning. A telegram or costly phone call on a party line was their sole alternative means of communication. Only in a letter could they be intimate, personal, and say what they meant. Gaps in their months of correspondence came with occasional days they could spend together, every two weeks or so, when Joe might get away to the north, either to Burnie or Devonport, where the two would rendezvous in a hastily snatched afternoon or day – always carefully chaperoned.

At times, Joe wrote more than once a day and most of his letters have survived. But just a few remain of those from Enid, written in a schoolgirl hand and somewhat underwhelming in her (sometimes) longwinded insecurities about the love of her life. Yet she is

also witty and cheeky, and reveals a maturity of judgment which undoubtedly attracted Joe. Before she died, Enid Lyons gave the letters to the National Library in Canberra, believing that they revealed another side to the public image Australians had of their former prime minister. The letters are intensely personal, undoubtedly the most intimate collection of significant political memorabilia in Australia.

The love affair had been a slow burn over two years, ever since Eliza Burnell had brought Enid – a pretty, full-figured girl with engaging blue eyes who had barely turned fifteen – to Parliament House in the winter of 1912. As Joe and Enid admitted in their letters to each other, there had been a spark from the very beginning; but he was 32 and an MP and she just a student, and very much the student enjoying her (somewhat overwritten) contributions to her college magazine and often spending her study hours drawing pictures of brides, as she confessed to the *Australian Women's Weekly* in December 1947. A little over three years before their meeting in Parliament House, Enid had been a rosy-cheeked primary school girl, on one occasion reciting poetry in her mother's parlour to entertain her mother's friends Adeline Lyons and her brother Joe.

By 1914, the young MP Joe Lyons was a very popular figure – a bachelor, with many women in his circle of friends. Just a fortnight before his wedding in 1915, writing to Enid on 12 April, he protested at her suggestion he had seen an old girlfriend, saying, 'Re Hilda White. For Goodness sake don't worry. She was never anything to me except a very merry little friend.' His letters to Enid, from the time of his proposal in late 1914, suggest he dropped names of women as his good friends quite liberally so Enid was understandably worried that she had rivals. Joe devoted a deal of space in his letters to assuring her there could be no one but her. Even so, he did admit to taking Enid's advice in deflecting the hopes of one woman friend at Beaconsfield a month before he proposed to Enid. In March 1915, a month before their wedding, Enid confided in Joe

that her father was saying Joe might be getting tired of her, provoking Joe to reply with another mountain of endearments: 'Last night I dreamed of you again and today I just lay on the [train] seat and thought of you all the way from Launceston.' But Joe had a reputation with the ladies – unwarranted perhaps, but certainly he liked women. In his letters he was at pains to assure Enid of his devotion, a passion keenly felt and which would, after a few months, urge him to bring on their nuptials quickly.

Joe Lyons perhaps had no real understanding of his effect on many of his women friends. At a time when friendships between men and women were either romantic or conducted through the formalities of family groups, Joe Lyons was exceptionally modern in believing in women as equals and treating them as good mates, no different from his male friends. He was keen to add a note in his letter to Enid on 10 March 1915 that, as Minister, he had managed to get approval from colleagues for legislation to provide catch-up payments for women teachers so that their future salaries would equal those of male teachers.

Joe Lyons' interests, both social and political, had intertwined over a decade. After winning his seat in 1909, and with his railway pass, Lyons had become as familiar with Hobart and its streets as he was with many parts of his native north of the island – a feat not achieved by many in a state divided for so long by poor transport infrastructure and lower than average earnings. Joe Lyons had every reason to be pleased and happy with his lot. When in Hobart for parliamentary business, and later as a minister, Lyons roomed at the Ventnor. This was a popular and large boarding house managed by the capable presence of Mrs Adeline Munnings at what was then 31 Davey Street, just a block towards the city from Parliament House. Here Lyons was within minutes of the House and, later, the Treasury.

Boarding house routines had been Joe Lyons' way of life for over a decade, ever since he had roomed as a teacher in the backblocks. But at Ventnor, Lyons now belonged to a boarding-house family that

included many out-of-town Labor politicians. After 1912, Lyons shared nights by the fire and chats in the parlour, before and after work, with colleagues such as Mick O'Keefe, George Becker, James Belton and George Martin. The men often accompanied each other to the theatre, the 'Dandies' music hall performances or 'pictures' evenings. As a senior minister after Labor became the government, Joe could sometimes turn up in a newsreel showing on the screen. He wrote to Enid on 21 October 1914 that a woman friend had told him he had been shown on the screen addressing soccer players and presenting their winning trophy. He seemed very natural, she had said, unaware of the camera. Although Joe confessed to Enid that he was well aware of the camera just ten feet from him, but by concentrating on his speech he was able to appear at ease. Even at this early point in technical and media development, Joe Lyons was adept at presenting a good picture of himself.

In Devonport, where Michael and Ellen Lyons had settled after Joe became an MP, the family had shrunk in size as Adeline had left for New Zealand in 1910 and soon after married John Bowler in Hastings. Tom had moved on and become a clerk. Only Mary and Gert, neither of whom had yet married, remained with their parents. Then, in April 1913, Joe's eldest brother Elwin died, and a few months later, on 19 July, Ellen Lyons died in Devonport of bowel cancer, a painful and debilitating end. How proud Ellen had been of Joe's rise to MP! All those difficult years rearing her younger children following Michael Lyons' bankruptcy and breakdown seemed to have brought its reward. And Tom had finished his education successfully with good prospects and a desk job. As Ellen Lyons saw out her last few months, she knew her younger boys had sound futures ahead of them. Their progress comforted her; their unmarried sisters and frail father would not be abandoned.

The Burnells

The winter session of state parliament in 1912 after the state election had been a high point for Tasmanian Labor supporters and Joe Lyons in particular. He was elected president of the Tasmanian Labor Party that year (a position he would again hold in 1916 and 1928), and Labor's numbers in the House had increased to fourteen, leaving the Liberal Government of Albert Solomon with a majority of two. In December 1912, a dissenting Liberal, Donald Cameron, forced Solomon to obtain a dissolution. A snap election was held in January 1913, which the Liberals won with a majority of two. At the Denison by-election a year later, however, Labor won the seat so the numbers in the House became fifteen—fifteen. Then, in March, Liberal Speaker Captain Evans resigned just as Liberal Joshua Whitsitt declared himself an Independent and ready to vote with Labor.

On 4 April 1914, Tasmania's Solomon Government resigned after losing a crucial vote in the House, and Labor's John Earle became Premier, with the numbers in the House dependent on the vote of the newly independent Joshua Whitsitt. Joe Lyons was by then one of the most experienced party operatives, having been elected deputy leader of the parliamentary party that January. According to the recall of James Ogden, as reported in Labor's *World* on 8 December 1919, Ogden and Lyons had pushed Earle not to bow to the wishes of the Governor and hold an election to test the strength of Labor. Lyons, like many of his Labor colleagues, believed the Governor was colluding with Solomon. Over half a decade, Labor followers had had much to celebrate.

Eliza Burnell from Burnie, a member of the Workers' Political League and friend of Adeline Lyons, came to visit parliament during July 1912 to meet and congratulate her friends among the Labor MPs, and to watch them in action. Eliza Burnell was 42 and the mother of three daughters and a son. Her husband, William, worked around logging mills as a sawyer and had bouts

of unemployment. Eliza was the strength of the marriage and had developed a small business, including a post office, on the main road out of Burnie at the edge of Bass Strait at a small settlement known as Cooe, today an outer suburb of Burnie.

Eliza Burnell was a strikingly good-looking woman – in fact quite a beauty as one of her photos suggests. Yet her upbringing had been tough. She was the eldest child of Harry and Louisa Taggett, who had married in the hinterland of the Adelaide Hills where Harry worked as a miner. Both Harry and Louisa were from Cornish stock. Harry had migrated with his first wife and two children to try his luck on the Victorian goldfields at Forest Creek in the 1850s. His wife had died there – possibly a suicide after giving birth – and Harry had taken off, leaving his three children with their mother's brother. The truth of this story was never known to Eliza and was only revealed to her grandchildren and great-grandchildren a century later. Harry, who died when Eliza was nine, leaving her mother Louisa with five children to rear, had told Louisa a fiction about his first marriage – that he had migrated ahead of his family and that his children had disappeared before he reached their ship, docking in Melbourne, after their mother had died on board.

As a youngster, Eliza had to help care for her younger siblings while Louisa made what money she could, travelling from door to door with her primitive sewing machine. Eliza took her baby siblings to school with her for a time and was forced to leave school at the end of fifth grade. Enid Lyons recalled in her booklet *My Life*, published in 1950, how her mother, aged nine and in a worn black dress, had been stung by the words of a well-off child at Sunday school who pulled at a friend and said, 'Come away from that shabby little thing.' Eliza's lifelong energy and drive to pull herself and her family out of penury among the lower orders suggested she lived her life, to some extent, in the echo of that barb.

Louisa, being determined to survive and keep her children, applied for and won a contract to cater for workers building the

railway line in central western Queensland. Taking her family 2500 kilometres by sea from Adelaide to Brisbane, and then by rail another 1250 kilometres inland to Charleville, Louisa settled into a camp town at Angellala where she worked long hours feeding hungry fettlers, gangers and sawyers. Eliza Taggett grew into a woman among the men of such camps. She developed what her daughter Enid called a character of steel and was dauntless in her approach to life. In June 1888, in Brisbane, Eliza married William Burnell, whom she had come to know from her time with the workers of the railway camps. William, born in Devon and growing up in Cardiff, had migrated to Australia as a young man. He was charming, a folksy musician and full of larrikin humour. His tales of the world beyond the camps no doubt attracted Eliza, although the pair had little in common. But, with William, Eliza had her ticket out.

In 1894, after their first child, Nellie, was born that February, the Burnells moved to northern Tasmania where William's parents had settled after emigrating from Wales. William worked at logging camps for extended periods and Eliza spent weeks alone with her young child. Sometimes she stayed with William's parents, who had a farm at Somerset, near Burnie. Eliza found herself pregnant again in late 1896, and soon after the family moved to a logging settlement at Duck River on the north-western tip of Tasmania near Smithton where they lived for the next three years. Enid Burnell was born there on 9 July 1897.

Enid Burnell would never know the rather dramatic history surrounding her conception, and the likely reason her parents had moved to live at remote Duck River. A story that challenged Enid's paternity emerged almost a century later and has been documented in *Enid Lyons: Leading Lady to a Nation*. The story has much circumstantial evidence to support it. Shortly after Eliza Burnell told William she was pregnant, he stormed off to the home of a local businessman and landowner, Aloysius Joyce. Here, in the older man's parlour, William Burnell accused one of the Joyce sons (Aloysius

junior) of having had an affair with Eliza and of being the father of her unborn child. The argument between William Burnell and Aloysius Joyce senior, as related by Joyce descendents, was overheard by two of the Joyce girls – Aloysius junior’s sisters – one of whom passed the story down to younger relatives.

William Burnell, according to the overheard conversation, agreed to bring up the child as his own. In time, Eliza became the owner of land at Cooe and it is believed that the original block of land – purchased in Eliza’s name only and through a third party – was a Joyce contribution to the Burnells for bringing up the child the Joyce family believed to have been fathered by young Aloysius Joyce. The Joyces were Catholics of Irish stock and known for their large families. Enid’s possible connection with the Joyce family has interesting connotations, since she would convert to Catholicism before marrying Joe and become a fervent Catholic. For the rest of her life, it was as if she had Ireland’s religion in her genes, if such a thing were possible.

William Burnell may have been a drinker and a knockabout but he loved Enid, in spite of whatever he knew or believed of her paternity. Although, during a row with her some years after Joe died, he was overheard by his grandson Peter Lyons, then about thirteen, to accuse Enid of not being his child. William’s views on women in general are also noteworthy and were revealed in a letter to Joe Lyons soon after his proposal to Enid. William wrote giving his opinion of their union and cautioned Joe not to rush Enid into marriage. Let her be a girl before she has to be a woman was his advice. Eliza and William had married when Eliza was eighteen so his words are significant. In his letter to Joe, William wrote, ‘She [Enid] is very young yet and a girl’s heart at 18 is never the same as it is at 25 or 26 say. Without exception, every girl is fickle to a certain degree and I speak now from experience.’

Engagement

Fifteen-year-old Enid Burnell followed up on her meeting with Mr Lyons soon after her visit with her mother and sister to Parliament House. Joe and his friends George Martin and George Becker had assured Eliza that if the girls wanted to come into Parliament House any day or evening to watch what Joe called ‘our show’, the young MPs were more than happy to walk the girls back to their lodgings at 328 Liverpool Street, just blocks from the centre of the city. As Enid was to recall decades later, she and Nellie went quite often to visit parliament, not so much for the debates as for the walk home.

By the end of 1912, Joe and Enid had begun an occasional correspondence, for some weeks every few days. It began with Enid requesting a copy of a petition and Joe had answered. On 12 December, he wrote that if she and Nell wanted another visit to parliament they had better do so before the end of the week as parliament might finish early. Clearly, he enjoyed their visits and hoped for another. Nellie was then almost nineteen, which gave the much younger Enid suitable cover. By March the following year, Joe was writing to subscribe to Enid’s college magazine and complimenting her on its contents. He would have liked to have delivered his subscription in person, he wrote, but he had temporarily lost her address. And he hoped she would be coming to visit parliament when the session began. They would miss her ‘impudent self’ if she did not. Other references to the girls’ visits to parliament in his letters included recalling a merry time with his parliamentary mates, Nellie and Enid, in the chairman’s room. Enid had ‘purloined’ some parliamentary stationery and Joe had fun with a mock reprimand. On occasion, he hoped to be able to catch the same train going north with her. The chemistry was obvious.

But Joe Lyons was also busy working to maintain Labor Party zeal, which was lagging following the results of the January 1913 snap election. Labor had come so close to government, only to miss

out once again. At the Workers' Political League conference held at Latrobe in June, Lyons as president addressed the delegates in a long speech urging continued confidence, but also warning against complacency. On 19 June, the *Daily Post* reported Lyons telling delegates:

I'm afraid the Labor movement has suffered from the effects of success. The fact that we were so successful three years ago, has wiped out a great deal of enthusiasm and ardour in our supporters. I am sure that three years ago there was far more fire in our work than there is today ... It is no use leaving it to the politicians; it is the men and women behind them on whom we have to rely.

Through 1913, Joe continued his endless rounds of meetings across the state and canvassing of Labor support.

When parliament resumed in September, Joe was pleased to send Enid two passes for the Legislative Assembly, telling her that she would have to take her chances on 'being bored' as she was going to miss John Earle the evening before. Their ease with each other had grown, noticeably. Before Christmas he was wishing her well for her appointment to Burnie as a trainee teacher and telling her how much he and his friends would miss her visits to the House. Her Christmas card that year was openly mischievous and he appeared delighted to be able to chide her on her boldness. In April the following year, after Labor suddenly became the government, he replied to her congratulations with 'My dear cheeky young subordinate' – a reference to his new position as Minister for Education. In the following August, after a minor operation in Launceston's St Margaret's hospital, he replied to a letter she had sent to wish him a good recovery with, 'I didn't adopt your advice to "take up my bed" because the task of walking without such a hindrance is quite enough for me to go on with.' He was able to send Enid and Nellie (yet again) passes to parliament for the September session,

and there was a swell of pride and confidence in his joking about their relationship within the Department.

After their engagement, Joe and Enid would swap notes on their last meeting at Parliament House, and how Joe had stood back to let some other younger chap walk Nellie and Enid home. He had wanted to make the offer himself; Enid had wished he would. An opportunity missed, which he realised only later. Joe had jumped with pleasure one morning at Ventnor soon after to be told Mrs Burnell and her daughter were waiting for him in the parlour, only to find it was Nell, not Enid, with her mother. The two weren't yet openly sweethearts but it was only a matter of time.

As one of the better educated Tasmanian Labor MPs, in the new Earle Government, Lyons had been given responsibility for Treasury, the Railways and Education – the first teacher to become a Tasmanian Minister for Education. Within just a few years, Lyons had risen from school teacher to being in control of the department from which he had resigned with much acrimony in 1909. The challenge, however, for the new Labor Government was not just education: a whole state was suffering dire financial circumstances. Labor would last just two years until the March 1916 election when the Liberals were returned. With a conservative Legislative Council opposing most of their programs, Labor held onto power narrowly in this brief first term of government thanks to the support of Independent Joshua Whitsitt, who respected Joe Lyons and his abilities. In time, war overtook planning. Labor's experience of government proved a tough reality against the expectations it had held while in opposition. These two years of experience were vital nonetheless. And Joe Lyons revelled in his new position, for some months at least. Then, as he became more and more weighed down with ministerial responsibilities and the endless tensions of minority government, love bloomed for him, suddenly – and in a way he had never imagined.

Joe and Enid were more than likely in their families' gaze, and

that of their associates and friends, well before Joe popped the question on 1 October 1914. Eliza made a sudden visit to Ventnor in September with Nellie, in part to check on likely developments. The increasing interest between Joe and Enid had become obvious – a situation not usual for a government minister and a young trainee teacher. Enid's familiarity with a figure such as Joe Lyons could not escape the attention of those closest to them. It is clear from Joe's letters to Enid after their engagement that Eliza was keeping a wise motherly overview of her daughter's connection with such a notable public figure. As Joe told Enid on 30 October, 'It makes me laugh now to think of your mother's concern as to whether I was capable of caring enough for you! That was the only obstacle in her mind when she and Nell visited Hobart.' Eliza had no misgivings that her younger daughter might become romantically involved with Joe Lyons, but it would be a disaster if Minister Joe Lyons was trifling with teenager Enid Burnell's affections. There was a lot at stake here, both privately and publicly. Ironically, Eliza's inquiries of Joe and his intentions in regard to Enid during her visit to Ventnor were enough to encourage the bashful man to propose to Enid when he visited Cooe at the end of September.

Letters from Joe to Enid had increased that September. He was hoping he could make it to her performance in Burnie's production of *A Country Girl* during the school holidays at the end of the month. She had a starring role as Sophie. But Joe was busy; he couldn't confirm he would be there. Then he took two tickets, saying he would bring his brother Tom, although Tom didn't make it and Joe eventually went with Nell. In a letter on 11 September, he confided to Enid his dissatisfaction at boarding-house life, writing:

Our boarding house is not very inviting but it suited us when we were private members and it might appear like snobbery to change now. The result is that one is easily tempted to wander about the town. Why are you not down here to take charge of me? I'd guarantee then to be as good as gold, in fact the interest

you have already shown will have the effect of making an improvement for the future.

The day Enid accepted Joe's proposal was a high point for the Burnells at Cooe. Joe had watched Enid's performance in *A Country Girl* the previous evening and stayed overnight. He had taken Enid to walk on the beach near the Burnell home, and being a Thursday they would have had the breezy foreshore to themselves. On their return, the family only had to look at them to know they were a couple. Nell had just become engaged to Norm Allison, also a school teacher. So there was much celebration. The sands of Cooe beach would feature in a number of Joe's letters to Enid as their special place for intimacies during his occasional visits to Burnie before they were married. Writing on 2 October after arriving back in Hobart, Joe told Enid, 'I had just a glimpse of Heaven on the sands at Cooe and I'm longing to return ... Nothing that can possibly happen in the future will ever shut out from me the memory of those happy hours.'

The proposal accepted, Joe and Enid had little thought for the formalities of betrothal apart from Joe getting William Burnell's consent. William, working at Scottsdale, could only be reached by letter, which Joe made a priority to write on his return to Hobart. Joe may have been the State Treasurer, Minister for Education and Minister for Railways, but he was as lovesick as a schoolboy and as apprehensive in awaiting William's approval for Enid's hand in marriage. William made no complaint about Joe being a prospective son-in-law, in spite of some reservation about his being a Catholic, but he did caution against an early marriage. So Joe and Enid spent the next few months planning how they might cope with being engaged while so far apart. At one point, Joe told Enid he would try to have her moved to a teaching post in Hobart the following year. He would talk to Education Department head William McCoy. Common sense prevailed soon enough and Joe dropped

that idea. He knew Eliza was content for Enid to marry after she turned eighteen in July, but William was not.

It was only after Enid's January 1915 stay in Hobart with Joe at Ventnor that a marriage in May began to be discussed. Joe was finding their separations more than he could bear. And the gossips had been doing the rounds from the beginning. Joe wrote telling Enid how, the day after he proposed, on his way back to Hobart his friend Walter Miller had caught up with him at Devonport, and had passed on the news that people were saying a priest had been seen going out to Cooee to marry them. In his letters, Joe often referred to the rumours about their romance – from talk of their already being married to nastier slurs about Joe. There were sectarians in Eliza's Methodist church who were shocked that Enid was contemplating marriage with a Catholic. 'I am sorry to think that I have been the cause of any unpleasant experience for your mother with the church people, but really if they are so narrow are they worth worrying about?' wrote Joe on 9 October. On another level, there were the unstated complications of the Education Minister, at 35, being in a relationship with a student teacher of 17. On 7 April 1915, a couple of weeks before they married, Joe wrote to Enid that a Hobart pantomime was sending them up with a skit where two performers gazed at a picture of two bathers on a beach; one asked the other what it was and was told, 'Oh, that's Cooee beach – can't you see Mr Lyons and his "fiasco"?'

But generally they were surrounded by friends who wished them well – even if the engagement was unofficial for the first month. Joe's colleagues at Ventnor pretended ignorance but one by one admitted to knowing the good news. In time, Mrs Munnings felt confident she could say she had never seen Joe so happy as when he returned from Cooee. They also noticed a change in him on his return from the first week of October – he was in bed by 9.30 pm, reported Joe, and not in the least interested in his usual social whirl. Joe told Enid how his housemates had wondered what had come

over their gregarious Joe Lyons. Then, as the news leaked out, Joe took to showing the photo of his 'girl' to friends. They all thought her very pretty, although James Ogden immediately recognised the 'young Miss Burnell' and Joe was pushed to add that Enid was now 'grown up'.

The Baileys, the Besiers, the Keatings – all friends of Joe in Hobart – were enthusiastic about Enid. And, to cap it off, Pib Bailey wrote to Joe on 27 November with her congratulations, which he attached in a letter to Enid on 1 December. 'Dearest old Joey,' wrote Pib:

I hasten to send my congratulations & to my surprise do so without a jealous pang! dear old sonny. I hope you will be as happy as the day is long & all the best wishes I can think of I wish for you – if you make as good a husband as you do a pal, well your little girl will have nothing to fear. I'll look forward with great pleasure to meeting her one day & I sincerely hope it will be as you say, that I am not losing a friend, but gaining one.

By early November, Joe had given Enid a ring. She had gone to Devonport one Saturday to spend time with Joe and his family and Joe had taken her back to Cooe. He left her early on Monday morning, writing to her the next day:

Since I left I have had before my eyes the picture that you made on Sunday morning, and I'm longing to kiss that picture again ... I was indescribably happy at the weekend. In fact I have not known much real happiness in my life until you came into it. All through it I have had to struggle, and suffer too at times, and very little unalloyed happiness or enjoyment came my way. Now everything is changed so much so that I often wonder if it can all be real.

Joe had found a soul mate, and at a time when his stocks were high and he could afford to marry. By November, Joe was referring

to Enid in his letters as his 'wife' and to himself as her 'hubby'. By April the following year, he had bought an orchard in Devonport for Enid as a wedding gift.

Like Pib Bailey, Enid shared Joe's love of literature and they exchanged notes on what they read. Joe sent Enid books and they swapped copies of poems. On 18 November, he posted Jack London's *People of the Abyss* about the slums of east London and told Enid, 'I sincerely hope you'll read it – if not, well, no more books for you.' He wanted her to read more Jerome K Jerome, author of *Three Men in A Boat* and a writer she liked, but was sorry he could not send her a copy of Jerome's *Novel Notes* as it wasn't available in Australia. He recalled reading it serialised in *Idler*, a magazine that Jerome had edited and Joe had read at Aida Walch's home in Swansea, where she had it in bound volumes among her books. On 21 November, he pretended to command Enid to read John Ruskin's essay 'Unto This Last' – a strongly critical piece on the damaging effects of industrialisation on the natural world.

However, unlike Pib, Enid was a very young darling, Joe's own 'girl' as he would call her for years in a protective and even in small ways possessive love. And Enid was not only intelligent, pert and lively, but also ready to mould her life and ways to suit Joe, the man she adored. Even in her religion.

A question of church

It was Eliza who first broached the subject of their different religious backgrounds and the possible consequences for their marriage. Eliza's marriage was not a happy one. William Burnell was very much the non-believer while Eliza was a stalwart of the local Methodist church. Joe had not considered the issue and even told Enid on 13 October, 'I am not extremely religious.' But Eliza's feelings hit a mark. And the question of going through with a 'mixed' marriage, as the term was then for a marriage between people of non-Catholic

and Catholic backgrounds, began to trouble them. Enid, reading up on the matter, decided that she had more reason for conversion than Joe. As a Methodist, she could marry in a Catholic church, but a Catholic could not in conscience marry outside a Catholic ceremony. The 1909 Papal encyclical *Ne Temere* had made any marriage outside a Catholic ceremony an invalid one for a Catholic. While the Papal edict challenged the role of civil law for Catholics and gave Protestants even more reason to suspect Catholic loyalty, it was a ruling a faithful Catholic could not ignore. In 1915, non-Catholics who married Catholics could not be married before the Catholic altar, while Catholics were forbidden to enter non-Catholic churches.

For Joe, it was entirely Enid's decision. And there they left it for the rest of the year. Before long, Enid had begun to feel a freezing over of some of her friendships, accounts of which she passed on to Joe in her letters. Enid Lyons would recall in later life that she had not had any pre-wedding parties, such was the distrust with many of her young non-Catholic friends at her marriage to a Catholic. She felt, at one stage, her friends would change their opinion of him if they were to meet him, but Joe was not persuaded, writing: 'Their objection is to my religion and meeting them would not get rid of that. It seems to me that they would sooner that I was a Moham-medan ... personally I would marry you if you were a little heathen.'

Strangely, it was William Burnell, the non-believer, who also raised the question of religion in the match. Writing to Enid on 21 November 1914, Joe recalled Eliza's visit to him in Hobart before he had proposed and how he had been surprised Eliza had mentioned their difference of religion as a possible reason Joe had not declared his interest in Enid: 'I was concerned about you and I did not let the other question enter my head, but I did get a shock when I found that there was real danger from that standpoint from your father.'

When Joe and Enid decided to bring their nuptials forward in early 1915, Enid opted to learn more about Joe's religion. Joe had

been upset at some of her misunderstandings about Catholicism. He had no quarrel with Methodism – after all, it had produced Enid. But he did think Enid was not of a mind to understand all he was. In March, after Enid had resigned from the Education Department and Joe had paid out her bond, Enid and Eliza went to stay at Stanley's Catholic presbytery where Joe's friend Father T J (Tom) O'Donnell was parish priest. Enid Lyons has given a graphic account of this in *So We Take Comfort*. It was a big step for a girl of seventeen and she had been a Methodist Sunday School teacher, both in Burnie and Hobart, a choir member of her local church and an organist. On the eve of her trip to Stanley, Enid's Methodist minister pleaded with her not to give up the 'faith of your fathers'. In 1915, church and faith defined one's community as strongly as ethnicity.

After a spirited argument about the relative attributes of state and convent schools over lunch on the first day at Stanley, Enid and O'Donnell struck up a warm friendship. But O'Donnell was soon called to Victoria to visit a sick relative and Enid and Eliza were left at the presbytery in the care of Mrs Conroy, O'Donnell's housekeeper. In true form, it was Eliza who took it upon herself to help Enid with her research, taking down books from O'Donnell's shelves and pointing out passages to Enid. Joe had written from Melbourne as Enid and her mother were about to leave for Stanley that he did not want to pressure Enid over the religion question. All he asked was that she would not go into it with 'an antagonistic attitude of mind', adding, 'I shall fervently pray that the kindly light that led Newman will lead you too' – referring to John Henry Newman, hero of Catholics for his conversion to Catholicism in 1845 from his position as priest in the Church of England.

Enid did not take to the Catholic faith immediately; there were tussles. By 11 March, Joe was writing that she should come home and forget about it: 'If you have reached a dead-end in the matter, don't worry any more ... I almost wish I had left the thing alone.'

But a little later Enid was convinced, saying in her later life that if her engagement had been broken at that moment she would have gone on with her conversion to the Catholic faith. As it turned out, it was Methodist Eliza who guided her daughter to Catholic belief. On 26 March, Enid made her first communion as a Catholic. Joe wrote to Enid that day saying, 'Oh, my darling little girl. God only knows how much I love and worship you, and my whole life will be devoted to proving the great depth of that wonderful love.'

Their wedding took place on Wednesday 28 April 1915 at St Brigid's Catholic Church in Wynyard with Father Tom O'Donnell as celebrant. Last minute territorial friction from Burnie about which parish and which priest should preside over the wedding of the year for the locals was solved by Joe visiting Archbishop Daniel Murphy in Hobart for his support. In just over a year, however, Tom O'Donnell and Joe Lyons would have their friendship badly jolted as they stood on opposing sides of the bitter debate over the first conscription plebiscite. Joshua Whitsitt, James Belton and William McCoy attended the wedding; personal problems at the last minute meant George Becker could not be there, as well as a sick George Martin. Plans to spend a few days with the Beckers at Mathinna after the wedding had to be dropped. Joe's sisters Mary and Gert were happy faces in the crowd celebrating their brother's big day, but Michael Lyons remained in Devonport, presumably to keep the cow and hens fed, although the occasion may have been more than he could manage.

Joe and Enid had planned their honeymoon around a trip Joe had to make to the premiers' conference in Sydney in early May. Premier John Earle had given in to Lyons' insistence that Tasmania needed its Treasurer at these discussions with the Commonwealth. After a night in Deloraine, they made their way to Launceston and on to Melbourne before the train ride to Sydney. In Melbourne, then home to the federal parliament, Enid and Joe took a room at what Joe described as 'a nice, quiet private place at St Kilda'. They

were conveniently located with the use of trams at their disposal, although Joe had referred to St Kilda as 'out there' as he described it all to Enid. They were also well situated for a dinner date with Prime Minister Andrew Fisher and his wife, Margaret, at their newly purchased mansion Oakleigh Hall in East St Kilda. Future prime minister Billy Hughes joined them.

Lyons, as honeymooner, was quietly familiarising himself with the top brass of Labor on the mainland. In a letter to Enid on 18 January that year, Joe had written of how the 'Councillors' [Legislative Council] hated Labor – 'they are showing it with a vengeance' – adding, 'If trouble has to come I hope it will come quickly for reasons that I have explained to you before and which concern my Federal prospects.' Lyons had been concerned about the impotence of the Earle Government over months – legislation put to the conservative Upper House was being frustrated, including eventually Lyons' attempts to get equal pay scales for female teachers. Labor hung on with Joshua Whitsitt's support, and even as he discussed their wedding date, Lyons had warned Enid that he might not be in government for much longer – Labor could fall at any time.

Labor in Tasmania, however, survived another year, and Joe Lyons stayed at the state Treasury. Meanwhile, the Tasmanian Liberals saw two changes of leader in the two years after losing government – a relatively young Albert Solomon died suddenly in office in October 1914, while his successor, Norman Ewing, resigned from politics in September 1914 to accept an appointment to the judiciary. Ewing was replaced by Walter Lee. By the time the Liberal Government of Walter Lee was sworn in after the March 1916 election, Labor's Billy Hughes had replaced Andrew Fisher as prime minister. And before Joe Lyons could review his 'federal prospects', the Labor Party would be caught in a bitter national debate over conscription, a debate that would affect Lyons more than he anticipated.

5



A party at war

The city is alive with all sorts of soldiers, and each day they march about 4000 N Zealanders up to the Domain for drill and exercise.

Joe Lyons to Enid Burnell, 22 October 1914

Achieving government for John Earle and Labor in Tasmania from 6 April 1914 until the state election on 25 March 1916 was remarkable. But it was also a poisoned chalice. The WPL had only come into existence a decade earlier. The conservative Legislative Council continued to vote down Labor's reform legislation. Even so, Joe Lyons grew in stature from his time as a minister, especially for his ability to handle financial and political debate at a time of major calamities for the island state. One of Lyons' last official acts as Minister for Education was to officially open the Launceston High School on 23 March 1916.

The great European conflict that would be known as the First World War had swept Australian men offshore in record numbers. And this within months of Labor Prime Minister Andrew Fisher declaring, even before the outbreak of hostilities in August 1914,

that Australia would support Britain to 'our last man and our last shilling'. War with Germany immediately cut off markets for Tasmania's products, especially for mining companies; and the Earle Government was forced to intervene, at some financial cost, to keep many mines open. Unemployment levels rocketed. Tasmanian men were often enlisting partly as a way of finding work – it was not simply the lure of adventure or loyalty to the Empire. But even offering a life for a job was not easy. Many were rejected on medical grounds. Marilyn Lake noted in *A Divided Society* that most, especially on the west coast, failed because of dental decay.

Consciousness of how deeply entrenched the Empire would become in the First World War dawned slowly. Joe and Enid Lyons had married within days of the landings at Gallipoli, with Joe Lyons and his parliamentary colleagues more concerned about the outcome of the premiers' conference in Sydney than the allies' progress in Europe. Debates reported from parliament throughout 1914 and 1915 covered such issues as closing times for hotels, closer settlement, water supplies, roads, electric light, the state farm, the Deceased Persons Estates Bill, the inspection of potatoes, Midland cattle disease and even the suspension of the Tick Act – all worthy matters for legislative review but hardly reflecting the seriousness of the international situation and its impact on Tasmania.

Nellie Burnell, with the help of Joe's inside information, had slipped away from her teaching post to farewell her fiance, Norm Allison, in Hobart. The great convoy of ships taking Australian troops to the front collected the Tasmanian contingent and sailed out of the Derwent on 20 October 1914. Nellie had no idea that this was the last she would see of Norm. Wounded at the front, he would die in England on 3 February 1918. For loved ones beyond the city, most of their lads left without these families even aware the troops were going; censorship rules prevented any news of their movements. The enormity of the hostilities would not impact on Australians for at least another year. Meanwhile, for most of the

population, war was about rising prices, going without, raising money and knitting for the Red Cross, while recruiting campaigns called for more volunteers.

A severe drought hit pastoralists and farmers over 1914–15, with devastating effects on rural industries. This also was an impetus for men to enlist. According to Joe Lyons, speaking in Launceston on 14 February 1916 as reported by the *Daily Post*, it was ‘the worst drought that settlers had ever experienced’. The Earle Government imported wheat to prevent severe bread shortages, resulting in criticism from its Liberal opponents at the expense and financial loss in doing so. In 1915, further disaster struck with devastating bushfires across parts of the state, taking what was left of the holdings of many of the outback selectors. The government found itself facing hefty compensation payouts for fencing, homesteads and seeding, just to help the pastoral industries survive.

It took all the savvy of a beggar for the state Treasurer to balance his books. With its small population and isolation, Tasmania, like Western Australia, had struggled as an economy from the time of its independence in the nineteenth century. As Joe Lyons described the situation to his audience in Launceston, the Earle Government had experienced the worst of difficult periods for administration in Tasmania. And it was to the Commonwealth that Lyons gave most thanks – its assistance had been invaluable. Lyons had won favourable terms by borrowing from the Commonwealth Bank. And the federal government had, as he put it, ‘advanced us £1 million in twelve monthly instalments’.

Practical politics

The travails of the Tasmanian Treasurer through 1914 and the following year often found their way into Lyons’ letters to Enid. At times he almost wished he could give it away entirely. Writing to her in November 1914 of some indecision on the part of Independent

MP Joshua Whitsitt, Lyons sounded exasperated. 'The sooner we know what side he is on the better because I decline to put up with what has been my lot lately ... if he attempts to shuffle then we'll go to the Governor and ask for a dissolution.' Yet it was Lyons' friendship with Joshua Whitsitt and Whitsitt's regard for both Lyons and Eliza Burnell, in spite of his abhorrence of Labor policy, that preserved Whitsitt's parliamentary relationship with Labor. Meanwhile, Enid was a presence in Lyons' life whenever he needed to share frustrations either in his letters or in person. It kept him strong.

After their honeymoon on the mainland in May 1915, Joe and Enid settled into a flat in Liverpool Street, convenient to Parliament House. Lyons' friend Frank Green, then clerk-assistant in the House of Assembly and soon to enlist, had helped in finding the apartment. Enid fell pregnant a few months later but suffered a miscarriage around August. Joe continued to take her with him on some of his political visits around the state. She became involved in wartime fundraising for the Red Cross, even performing as Queen of the Public Service in a pageant with a nine-year-old Errol Flynn as her pageboy. Errol's father, Professor Theodore Flynn, would remain a good friend to Joe Lyons over decades, even after Flynn moved to Belfast in 1930.

With his early start in life as a diligent schoolboy from an impoverished family, Joe Lyons continued to exhibit a mixture of gregarious confidence with his Labor networks and Party branch visits, alongside a reticence for society gatherings where he felt out of place. Writing to Enid on 11 September 1914, he gave an account of his vote of thanks to a visiting British scientist after an oration. He had not been briefed on the content of the speaker's address and had to speak without notes, which did not suit Lyons. But the occasion also left him unsettled because he 'was not at home with the crowd of society people present'. On the other hand, Lyons had a natural affinity for those he mixed with in politics, especially

those who wanted to understand financial practice and good government. One such was Lyndhurst (L F) Giblin, who would rank among Australia's most noted economists of the 1930s and 1940s. Known for his socialist views, as Frank Green described in 'Giblin in Politics and War' in *The Scholar and The Man*, Giblin did not help his cause by 'an unusual personality with a black beard, a red neck-tie, and a suit of unusual but strictly utilitarian cut'. Giblin had joined up with Labor after 1909, running lectures on economics and industrial history. He was elected to Labor's State Executive in 1912 and in 1913 stood for Labor in Denison and won. When Joe Lyons became Treasurer in 1914, Giblin acted as his unofficial adviser and assistant.

The Giblin signature message, which would become the Joe Lyons message, was that unproductive debt had seriously damaged Tasmania's economy. While it remained small and with a population either stagnant or in decline, the state could not survive without tackling its reliance on loans. Debt meant large interest payments and higher taxes, which fell mostly on the working man. In 1912–13 alone, the parliament had voted more than £1 million for public works which would not return any repayment to Treasury. Giblin convinced Lyons to set up a Royal Commission into a Public Debts and Sinking Fund (1915) for Tasmania, for which Frank Green believed Giblin 'supplied all the labour and most of the brains'. In the Lyons conciliatory style, the commission's members included former Liberal Party leaders Norman Ewing and Sir Elliott Lewis. The idea was to have a properly managed sinking fund for state debt – one that could not be raided by profligate administrations. The report, however, made little headway with the costs of war. Meanwhile, Lyons' proposal to have a moratorium on debts for the duration of the war, as the *Daily Post* reported on 27 August 1914, was lost with the casting vote of the speaker.

After the establishment of the Commonwealth Government in 1901, Tasmania had complained that the distribution mechanism

for the surpluses from customs and excise revenue collected by the federal government disadvantaged the small state. This was because surpluses were divided according to state populations. Figures showed Tasmania was missing out. In the brief two years of the Earle Government, Lyons was unable to tackle this anomaly, but when premier, after 1923, he would begin a redress of such imbalance largely through the earlier work of Giblin and the powerfully argued *Tasmanian Disabilities: Report of Committee 1925*, the report of an inquiry set up by the Lyons Government.

Governing for the rookie Labor team in 1914–15 offered many lessons in reality. As Lyons prepared his Treasurer's statement in October 1914, he wrote to Enid that he was trimming it to make it simpler – a financial statement rather than a full report on government departments generally. Days before the statement was due he discovered James Belton, Minister for Lands and Works and Agriculture, had not finished his report and had left Hobart to be with his family. Lyons, assiduous in his attention to preparation, believed his mate Belton had let him down badly. Lyons told Enid: 'Belton's statement was far from ready. I can't understand how a minister could go away home as he did under the circumstances. I went over it with him last night and gave all the assistance I could but it is too late to do things.' Later, as Joe grumbled to Enid, Belton would give him reason for further worry by adding £10 000 expenditure from revenue after Lyons' financial statement had been printed.

Lyons assured Enid that opposition leader Norman Ewing was a weak opponent in the Assembly and not on top of the financial detail, suggesting to her that he would get through his statement unscathed. Even so, deputy opposition leader Walter Lee spoke after the Treasurer's address and argued that Lyons' financial statement did what Lyons had accused his opponents of when in government – it raised taxes and did not help primary producers. In the midst of all Tasmania's financial troubles, the Earle Government

also undertook state ownership of the Great Lake hydro-electric scheme, a purchase that would dog Tasmania and Tasmanian taxpayers for decades.

As a fast-growing opposition group dedicated to the rights and prosperity of working families, Labor MPs had raised expectations. Government, however, required a breadth of experience and expertise. At times, Lyons let out his frustration at not being able to influence his colleagues in matters of finance, so vital to the party's hold on government. He expressed his annoyance to Enid, shortly before his October 1914 financial statement, that Earle would be attending the next premiers' conference rather than himself: 'I thought they would have sense enough to send me as they only deal with finance and railway gauges and I don't want information second hand ... He came back last time with very incomplete information.' Earle eventually agreed to take Lyons' secretary to make a record of every decision. Diplomatically, Lyons had argued that the move would be good for Earle and won some ground. Such asides about colleagues in his letters show not only Lyons' momentary frustrations, but also a quiet confidence, even a little hubris at times. Perhaps engagement and the love of a woman had strengthened his hand. Or perhaps he was simply confident he was the better manager. Lyons certainly demonstrated managerial capacity all through his political career. But these letters also reveal an ego not usually apparent in Lyons as a public figure.

Frustrated by the conservative Legislative Council, Labor made limited progress on its legislative reforms for 1914–15. The continuing drought, war and financial impotence forced it to raise loans and rely on taxation. Part of Lyons' financial statement for 1914 involved explaining not only 'a better bargain' than he had expected with the Commonwealth Bank, including a £100 000 overdraft, but also another £500 000 as a loan from the UK Government. Soon after, Independent Joshua Whitsitt told parliament that Tasmania's 'young Treasurer' was 'brainy but wanted to do too much for

the present generation'. A year later, on 18 October 1915, Lyons was criticised in the Assembly not only for the expenditure in his Budget, but also for that good deal he had won by placing the state's accounts in the hands of the Commonwealth Bank. He had ignored the private institutions. Labor's Andrew Fisher had set up the Commonwealth Government-owned bank in 1911. Most state premiers continued to shun it as a rival to their state banks. Lyons, on the other hand, saw only a way to gain an advantage from the federal government by supporting it. This Tasmanian Treasurer could not resist the offer of savings.

Meanwhile, Premier John Earle found himself between a rock and a hard place; as unemployment rose, he suggested those without a job should enlist. This infuriated many in Labor ranks, who could sense a conservative push coming in favour of conscription. The Legislative Council also blocked Labor's attempt to regulate inflating prices. Earle then tried to bring some general unity and to delay a predicted bitter campaign for the election due in the first half of 1916. He proposed a government coalition between Labor and Liberal MPs. While Lyons backed the coalition idea, he told parliament on 12 October 1915 that he had little interest in prolonging the life of the present parliament. But he saw the importance if the state could avoid the sort of division an election campaign would produce. Hostility to Labor by a section of the press at the time was volatile.

The Legislative Council blocked Earle's coalition proposal. The state election went ahead on 25 March 1916. It was a bigoted campaign conducted alongside opposing voices for a referendum on early closing hours for hotels. With the polls in, Labor recorded its highest vote ever, one not matched until the 1925 election and narrowly beating the Liberal vote. But the Earle Government had not won the election. Votes were unequally distributed and Labor lost a seat to its opponents. Joshua Whitsitt retained his seat but even his vote did not give Labor a majority. Earle conceded victory

to the Liberals. Joe Lyons, as he had long expected, was a backbencher once more. He returned to Devonport to spend more time with Enid. To supplement his reduced income as a backbencher, Lyons set up a small agency in the town. What sort of agency is not recorded but it would have been in collaboration with a local businessman, as was the case after Labor lost the 1928 election and Lyons went into partnership with his friend Harry Lane for Black & White Whisky.

Conscription and opposition again

Enid Lyons has described in *So We Take Comfort* how by 1916 she and Joe had moved their family home to Devonport, into a house they shared with Joe's father and sisters Mary and Gert. Writing to Enid a month before they married, Joe had suggested they set up house in Hobart with his family. Enid had quickly said no. Joe had replied immediately, assuring Enid he was sorry:

I made a suggestion of which you do not approve and I shall certainly not carry it out now. It just occurred to me that it would be saving in expense if I closed up the Devonport place altogether for the time that I remain in the ministry and of course money will be a consideration with us in the future, but you are right – we ought to be to ourselves for the first part of our married life.

Their start alone, however, lasted just six months. And Enid spent weeks of that time in Burnie with her mother after discovering she was pregnant. Enid's account of her start on housekeeping and domestic duties revealed she had much to learn. And, with Joe travelling or busy at his office, life in Hobart for Enid could be lonely. Soon after returning to Hobart from her stay with Eliza in Burnie, she miscarried and watched a local nurse throw the fetus into the fireplace in her bedroom – Hobart suddenly lost its warmth. Enid was told by her doctor she would not be able to have children.

Then the election loomed close with the likelihood of Joe having to manage on a backbencher's salary. The idea of saving money became a necessity – and in Devonport, Enid would be closer to her family.

When Labor lost the 1916 election, Joe and Enid began building a house on the orchard Joe had given Enid. This would be the home they eventually called Home Hill; with many extensions over decades, it is today a museum to the Lyons legacy. Around this time, Enid found she was pregnant again, in spite of the earlier medical prognosis. Her baby was due in November. It would be one of the few of Enid's pregnancies when Joe Lyons spent his time as a normal husband, tending his orchard, planning the home building works and managing his electorate between infrequent sittings of parliament. Even so, with the conscription plebiscite campaign in September and October, and Joe's election as Labor leader on 1 November, Enid would be left to cope alone in her last weeks of confinement and first weeks of motherhood. Joe would once again be travelling the state to party meetings and fighting Labor's campaign against Hughes' conscription plebiscite.

In *Eighty Years Labor*, Richard Davis attributes Labor's failure to retain government at the 1916 election to a number of issues. Earle was too benign in his reaction to the Legislative Council's refusal to accept Labor reforms. Davis also saw weakness in Earle's tendency to govern as 'premier of the whole state and not just a faction'. In modern parlance this should have been a plus. But it wasn't a plus for a Labor leader in 1914–15. Labor, still a fledgling party, was tribal and ripe for division. Many Labor adherents had become bitter at Earle's refusal to acknowledge the sacrifices of colleagues outside parliament. He refused government funding of any sort for Labor projects, such as building the Hobart Trades Hall. At times it appeared to Labor stalwarts as if their leaders had changed in government, forgetting the people who had supported them into parliament.

The decades-old rift from the earliest days of the labour movement between its worker base and its parliamentary members was revived. Richard Davis, as an example, points to Minister for Mines James Ogden scoffing at the notion that a rise in the cost of living justified a rise in wages. Then there was Lyndhurst Giblin, who told parliament in November 1915, as related in the *Mercury's* 'World', that the only way to give people a lead in financial reform was to bring in a system of taxation 'so severe that the necessity for economy would be forced upon them'. He added that he was not speaking of only the well-to-do but of all classes. And then there was the war, which brought to the surface a variety of bigotries.

Simmering away in the underbelly of the nation were old enmities. As Marilyn Lake has recorded comprehensively in *A Divided Society: Tasmania During World War I*, for many the divide was emotive, irrational and built around tribal distrust. Uncertainty and fear meant a conservative streak entered politics; in early 1916, with a referendum on the early closing of 'liquor bars', loyalty became synonymous with sobriety – after all, the King had pledged to abstain from alcohol. Catholics could not be trusted by some because of their allegiance to a church governed from 'Rome'. The *Mercury* was openly anti-Catholic and even suggested at one stage that the Pope was in league with Germany's Kaiser. With the Easter Rebellion in Dublin in 1916, and the ensuing execution of its rebel leaders, the small Catholic community in Tasmania became bruised by its Irish ethnic connections and various Catholic individuals' support for Home Rule among groups such as the United Irish League (UIL). As Lloyd Robson has noted, Joe Lyons was vice-president of the UIL at the time. Labor suffered also with its mixture of radicals, some of whom opposed conscription and others who also opposed the war effort or argued that class war at home was more important than the hostilities in Europe.

There was more. Statements not totally supportive of the war from prominent individuals could be interpreted as undermining the

war effort, causing further righteous outrage. From the outbreak of war, German Australians were at the mercy of local feelings. For extreme loyalists, disloyalty could be found in all manner of preferences, even a German name for a town must be changed. After the Germans sank the *Lusitania* in 1915, the town of Bismarck – on the other side of Hobart's Mount Wellington – became Collinsvale. 'Enemy aliens' were detained from February 1915 and a Tasmanian detention camp established on Bruny Island. Some 47 German Australians were sent there initially and were eventually paid two shillings a day to clear land. According to Marilyn Lake, 'It was generally agreed that Germans should be treated as a race apart.' Many Germans not detained were hunted down by locals, vigilante style.

Hysteria found its way into parliament in September 1914. The Liberals expressed outrage at a university economics lecturer, Herbert Heaton, who had spoken at Scottsdale and suggested that the Allies might also have committed atrocities. Joe Lyons did his best to defend Heaton in parliament but the lecturer eventually chose exile, leaving for a new post in Adelaide. As Minister for Education, Lyons himself was accused of employing German teachers. He replied that there were no Germans in his department, only four Tasmanian-born teachers of German parentage. Marilyn Lake and Lloyd Robson describe vividly the treatment meted out to J Ostenberg, a Swede from Canada, and Gustav Weindorfer from Austria, the founder of the Cradle Mountain chalet. Both were hounded publicly for their 'German' names and persecuted in social and material ways in a display of local blood lust to shame notions of Australian mateship.

As the war dragged on and the casualty lists lengthened, people's loyalty to the Empire became a bigger issue. With the strain of war, Billy Hughes replaced Andrew Fisher as Prime Minister in October 1915. By July 1916, Hughes had returned from a trip to London where he had seen for himself how larger troop numbers were needed in a war bogged down in north-eastern France.

Recruitment was seen as the only way to relieve casualties in the tens of thousands. Recruitment was waning, however, in Australia. Recruiting officers like Eliza Burnell faced near-empty halls at information meetings. Hughes feared that legislation to enforce conscription under the 1914 *War Precautions Act* would divide Labor irretrievably and be lost in the Labor-dominated Senate. Instead, on 31 August, Prime Minister Hughes announced that a plebiscite to gain public support for conscription would be held on 28 October 1916. The question to be asked of Australian voters was, 'Are you in favour of the government having, in this grave emergency, the same compulsory powers over citizens in regard to requiring their military service, for the term of this war, outside the Commonwealth, as it now has in regard to military service within the Commonwealth.'

Prime Minister Hughes was relatively confident his plebiscite would succeed. How wrong he was! In fact, it split the Labor Party from the outset. On Saturday 16 September, the Burnie *Advocate* illustrated the strong and contradictory emotions the conscription debate had unleashed. In just two of its many columns that morning, the newspaper published, firstly, an impassioned message from the State War Council. This set out Tasmania's quotas for enlistment and urged recruitment of single men on the grounds that 'if you miss this opportunity, the decision may rest with you no longer'. On the same page was a report of the New South Wales Enmore Labor League which had successfully objected to the appointment of a minister in Holman's NSW Labor Government because he supported conscription. Below the State War Council's message the paper printed a summary of the grounds on which the government, under the Defence Acts 1903–12, could force single Australian men (British subjects who have resided in Australia for more than six months) to enlist. And in the adjacent column came a list of the most recent northern Tasmanian casualties in France above an article advertising a talk on the Dardanelles campaign which promised to eulogise the Anzacs.

Joe Lyons had had pacifist leanings all his life. In 1916 never more so, even as old friends like Father Tom O'Donnell appeared around the state, arguing for the war and conscription before large, applauding audiences. Enid Lyons would write of how the conscription debates brought Lyons and O'Donnell's friendship to a crisis point, and eventual estrangement. Parliamentary colleagues and friends, such as Joshua Whitsitt, also joined the pro-conscription rallies and enjoyed the cheers of thousands.

On 5 September, just days after Hughes' announcement of the plebiscite, Lyons addressed the Tasmanian Parliament on the matter of conscription. He outlined his position clearly. The argument against conscription and recruitment was a simple one, he said. He appreciated that there was an urgent need for more men ('Hear, hear'), but he also noted it had been said that Australia 'had reached the limit so far as recruiting was concerned'. Australia had sent all the men it could spare from industry. And, while he and many others present in the parliament could go to the front, he would refuse to 'get up and tell men they ought to enlist'. In his position on the war and conscription, Lyons stood with the majority of his Labor MP colleagues in Tasmania. At meetings, he argued the dissenting Labor case against Hughes. Tasmanian Labor leader John Earle and MLA Charles Howroyd were the only Tasmanian Labor MPs who supported their federal Labor leader and conscription.

Any reading of the years of the conscription plebiscites in Australia in 1916 and 1917 will reveal a nation split in two, and bitterly so. With hysteria heightened, families split, churches and communities divided, and the arguments raged daily in newspapers and in private. For Labor, worst of all, the party divided. Meetings were rowdy, to the point of violence. Joe Lyons narrowly missed being thrown off a bridge at Deloraine on one occasion.

For the Lyons and Burnell families, however, there would be no private divide. If Enid Lyons' account is to be believed, and there is no reason not to believe it, the differing views of the families

did not lead to disharmony at home. Eliza Burnell was a recruiter and supported the war strongly; Joe and Enid were campaigners for the anti-conscription cause, although Enid took no part in public meetings. Louisa Taggett, Eliza's mother and a staunchly intolerant 'puritan', had disowned Eliza when Enid had married Catholic Joe Lyons. However, Louisa was reunited with Eliza on the morning of the October 1916 plebiscite after she arrived in Burnie and met Joe for the first time. After disembarking from the ferry early that day, Louisa had marched into the couple's bedroom when they were barely awake. Enid was a fortnight off giving birth and Joe was exhausted and hoarse from speaking at public meetings in opposition to conscription. Louisa's grand-daughter's husband had been all charm, nonetheless. Louisa had declared, 'I like him.'

Leading Labor figures travelled to Tasmania to campaign for and against conscription. Federal Labor MP Frank Anstey packed out a WPL meeting speaking against conscription at the Hobart Town Hall on the evening of Friday 6 October with Joe Lyons presiding. Prime Minister Billy Hughes received a hero's welcome as he toured the state for days in support of conscription. With the campaign about to wrap up, on Friday 27 October, Joe Lyons faced a rowdy crowd at Burnie. Two days before, he had spoken for an hour at Riana arguing that the figures on enlistments the Prime Minister had given to parliament showed there was 'no need whatever for the Australian people to enslave themselves with conscription'. There were enough troops already to send to General Haig, Lyons said. In his view, Hughes was playing politics saying he needed to conscript more.

These were the arguments Lyons repeated at Burnie on the eve of voting day at what the *Advocate* described as one of the noisiest meetings ever held. Speakers were subjected to constant interruptions from the floor, whether applause, jeering or interjecting. Lyons fiercely denied Tom O'Donnell's accusation that he was in with the radical International Workers of the World (IWW), a common slur

thrown at Labor's anti-conscriptionists because of their support from the union movement. 'We have placed a navy and an army at the disposal of Great Britain, and we have mortgaged Australia,' argued Lyons. 'Could we do more to show our loyalty?' Australia had given one-eighth of its population to the war, he said; would Great Britain send an eighth of its population to help defend Australia if it was threatened? Then Lyons accused his federal Labor leader, Hughes, of being a traitor to the men in the trenches by saying that he couldn't find soldiers to relieve them. It was open, and bitter – Labor was in free fall.

The case, however, was a familiar line of attack from Lyons in its reasoning and delivery. The typical Lyons case on any matter sought a rational, even pragmatic, answer. In this instance, it was also one of emotional appeal in the midst of an irrational furore between two extremes. Lyons was not against the war, or the need to defend Great Britain. He carefully avoided saying whether he would go to fight himself. Neither was he arguing the line radical Labor and Melbourne's Archbishop Daniel Mannix would argue in 1917 that the conflict was a trade war between competing monopolies.

Lyons had no quibble that the war was a just one. However, Australians had a responsibility not only to the British alliance but also to their own nation. Australia had its own interests to consider, its own citizens to protect, and not simply their lives but their livelihoods as well. Nor could Lyons see any quid pro quo from Great Britain; what compensation by way of thanks had Australia received for its war effort? Had Australia received loans from Britain on favourable terms? Not a lot, he concluded; the federal Treasurer had received less than half of what he had asked for. For Lyons it was a case of, 'The last man will go, but the last shilling never.' This played with Labor Prime Minister Andrew Fisher's pledge that Australia would 'stand beside the mother country to help and defend her to the last man and the last shilling'.

The outcome of the 1916 conscription plebiscite was a good

win for the 'No' case in a majority of states. At the national level, the majority of Tasmanian Labor MPs had been vindicated. But in Tasmania, voters had supported Billy Hughes' 'Yes' case, 49 493 to 37 833. Labor leader Earle had argued the winning side in his home state, although it was no help to him as leader. It further isolated him within the party. Earle had gone with the conservatives.

The Labor caucus met immediately – on 1 November. Earle did not attend, which gave caucus free rein. Emotions ran high, with little empathy for Earle from a caucus angry and disappointed at his campaign among the miners on the west coast, where the vote for conscription was high. Chairman Joe Lyons, accused later by Earle of wanting to depose him, declared the position of leader vacant. Caucus members then elected Lyons their new leader. As political assassinations go, it was swift and clean. In an impassioned speech to the Assembly afterwards, Earle said that it was the most painful trial of his life. He had occupied the position of leader for ten years and been a member of the WPL since its inception. The *Daily Post* put the Labor line on Thursday 2 November, arguing that after all elections leadership positions are vacant and the conscription campaign had been 'more important than any general election campaign'. Issues had been raised of fundamental importance to the labour movement and the caucus had therefore taken a 'proper and natural step' in deciding who should be its new leaders. Honest and conciliatory Joe Lyons had been given the Labor leadership, albeit of a party divided and full of bile.

The ascension of Lyons to the leadership of the Tasmanian Labor Party has always been discussed in the light of the fallout from the first conscription campaign that divided Labor so bitterly, and how John Earle's demise threw the leadership to Lyons. Undoubtedly, Earle ruined his future as leader with his stance over conscription. Secondary to this, however, is what the timing of that ascension says about Joe Lyons the politician and family man. As Enid Lyons lay bedridden awaiting the birth of their first child in Burnie, with her

mother by her for every assistance and grandmother Louisa happily reconciled with them, Joe Lyons was attending Labor Party caucus meetings, working the numbers to gain the Labor leadership and installing his new team. He made it to Enid's side for the birth of the healthy little boy they named Gerald Desmond (always called Desmond) on 13 November, but could only stay a day after the birth before he was back on the train for Hobart. He was head-over-heels about his new status as a father and wrote endearingly from the train to a very weak Enid of his glow at thinking of the way she had held up, and how much he loved her and wished he could be with them both: 'You don't know how I loved the two of you as you lay there together – my wife and son.' However, as their letters around this time indicate, Enid would spend most of her first weeks as a mother without her husband near her. Lyons' parliamentary and political career had once again taken over. Enid Lyons would write much later of how she had married a man who 'liked change for its own sake and who had chosen a career of which the very essence is uncertainty'.

Lyons had taken over as leader of a troubled party, a party that needed to steer its way to a more middle course without abandoning its principles. In the bitter fallout of the plebiscite, Earle and Howroyd resigned from the party in January 1917. This saved Labor from acting on Lyons' belief, as he told the *Daily Post* on 16 November 1916, that the next state conference should expel them. At the January state conference, a motion to oppose conscription to directly defend Australia had been lost narrowly, but such was the emotion of the time against the conscriptionists, opposition to conscription firmed as a Labor standpoint. Philip Hart, in his unpublished doctoral thesis, summed up the aftermath of the first conscription plebiscite for Tasmanian Labor: 'The conscriptionist branches were dissolved, and the reconstituted Devonport branch re-elected Lyons as its president ... At the December 1916 Inter-State Labour Conference, Tasmanian delegates opposed compul-

sory military training for home defence.’ It was no lie to say of his career that Lyons was a conciliator in policy and management of government throughout his political career. But in the matter of deposing John Earle as party leader in 1916, Lyons demonstrated he was also a deft and experienced hand at machine politics, and not shy of taking advantage of an opportunity for promotion.

With the defeat of Billy Hughes’ first conscription plebiscite (the ‘Yes’ case succeeded only in Western Australia, Victoria and Tasmania), Hughes was removed from the Labor leadership much as Earle had been in Tasmania. Hughes retained his prime ministership, however, by forming a breakaway Labor Cabinet with other pro-conscriptionist Labor colleagues. By February 1917, Hughes was leading a coalition with the conservatives. It would be called the Nationalist Party and campaign under a ‘win-the-war’ slogan, easily winning the May 1917 federal election. John Earle stood as a Nationalist and topped the Tasmanian Senate poll.

By now, with the Hughes supporters deserting Labor, the ALP was significantly depleted of its more conservative and Protestant members (although Tasmania’s John Earle was a Catholic). Labor now consisted disproportionately of a tribal Catholic wing aligned with what Michael Hogan in *The Sectarian Strand* has described as ‘the socialist ideologues, the so-called “industrialists” ... secularist and impatient both of moralistic Protestant leaders and politically pragmatic Catholics’. This combination would test Labor’s unity in the 1920s. But at the second conscription plebiscite, held on 20 November 1917, Labor was at last united against the ‘Yes’ case.

The minutes from the meeting on 19 November 1917 of Tasmania’s Central Executive for the Tasmanian Labour Federation indicate that Lyons and Labor fought hard for the ‘No’ case in the second plebiscite. They placed ads for funds to fight the campaign in all daily newspapers and posted a ‘special edition’ copy of the *Daily Post* to every elector in the state. But the 1917 conscription campaign also saw heights of violence unprecedented in Australia. It has

been described by Billy Hughes' biographer L F Fitzhardinge as a campaign where 'eggs and unripe fruit took the place of argument at many meetings'. Hughes took to carrying a pistol after a bomb exploded in his garden, and he was often assaulted. The 'Yes' case again failed. Victoria, where Archbishop Daniel Mannix had led the anti-conscription campaign, and Western Australia now joined the 'No' side. Tasmanians once again voted with Hughes, however, but by a much slimmer margin. The number who voted had also dropped dramatically, while the 'No' case in Tasmania increased its support to 49.76 per cent.

Fallout from the two bitter conscription campaigns was not easily allayed. The 'No' case had been sustained at great cost to Labor, now split and popularly denigrated as an outsiders' rump. Joe Lyons recognised all this, and also that Labor had lost credibility as a party of government. No doubt this encouraged him to attend Governor-General Mungo Ferguson's recruiting conference at his residence, Admiralty House in Sydney, during April 1918. Ferguson, a titled Scot, had proved a rather interventionist Governor-General, even trying to engineer Hughes' resignation in favour of another Nationalist after the defeat of the 1917 plebiscite. The recruiting conference was yet another intervention on the Governor-General's part, an attempt to bring some consensus on Australia's troop supply in the wake of the conscription plebiscites.

Delegates had assembled at Kirribilli's imposing vice-regal mansion on Sydney Harbour, where they could view the city's fleet of ferries and their smoking funnels within a vista that lacked either Harbour Bridge or Opera House. Here Lyons was an impassioned delegate arguing for old wounds to be healed, but also strongly pushing for empathy for those who had opposed conscription. Other delegates also chose conciliatory positions, but the divisions could not be easily smoothed over. The *Daily Post* reported, on 9 May, that Lyons had chosen to attend the conference without consulting his party. He told Labor members at the state Labor conference in May

that he had done this so as not to bind any Labor members to the conference's decisions. In fact, Lyons was readying both himself and his party for a more conservative stand in regard to the war effort.

At Admiralty House, Lyons argued that Labor had been falsely caricatured. The 'conscriptionist' mood among the press and employers had to end. Tasmanian Labor, he said, had been unfairly condemned by major newspapers as pro-German, and from early in the war there were significant numbers of employers who had discriminated against eligible single men seeking employment. Just because they had not enlisted did not make men unsuitable workers, argued Lyons. There was also a fear among workers that they would be starved out of jobs in order to force 'economic' conscription or enlistment. Likewise, argued Lyons, returned soldiers should not be preferred for jobs. Meanwhile, there was war profiteering. While Tasmanians had suffered a drop in wages, the price of food had soared. Lyons wanted federal government action against the anti-Labor mood of the press and the exploitation of working families by war profiteers. Should the federal government play its part, Lyons declared: 'I am prepared to go back to the organisations in my state and put before them the war position as it was placed before us by the Prime Minister.' Lyons reminded his audience that Labor represented some big organisations.

At the Tasmanian Labor Conference, held in Hobart on 9 May 1918, members of Labor's state recruiting committee covered similar ground. Lyons' leadership in this had struck a chord. Delegates exhibited a desire to be patriotic, even to support recruitment. They balanced this, however, with a wariness at jingoism, profiteering and concern about unfairness to men who had not enlisted but who were keeping home industries afloat.

Tasmanian Labor had entered the war in government. It now was emerging in this fourth year of war as a splintered wreck, much like many wounded soldiers returning from the front. The party needed to rebuild, and in a political terrain that was very different.

Lyons would be by far the best Tasmanian Labor figure to take the party through the decade to come. Within months the war would be over, but bitter feelings were building over its cost and consequences.

6



Leading Labor

It may be conceded that the present division may throw the party back temporarily in a parliamentary sense but ... it has always seemed to me that the solidarity of the Labor Party and its fidelity to principle is a much more important matter than the mere numbers of the party in parliament.

Joe Lyons

Lyons had achieved well beyond his schoolboy hopes when he spoke these words after becoming leader of Tasmanian Labor in November 1916. His status and confidence had grown immeasurably, albeit now again in opposition. His words, as reported in the *Daily Post* on 16 November, suggested that he saw opposition as a 'seed time', a clearing out and settling of what was important. This was Lyons at his most ideological and tribal. But the next seven years in opposition would very much test that view.

The important outcome of this seed time for the new opposition leader was that it allowed him to sort out what was important. By

the time Joe Lyons formed the next Labor Government in Tasmania, in 1923, he had discovered that solidarity is all very well, but a parliamentary leader should be destined also to govern. And while Enid Lyons had made him a perfect partner in his political career, it was not her ambition but his own that sent Lyons on. Minutes after Lyons had stepped from the train in Hobart on 15 November 1916, after regretting he had to leave Enid and his newborn son so quickly, he was back into political routines, fronting the media and giving interviews. The political trail could never go cold.

When Lyons was elected leader of the Tasmanian Labor Party, the birth of his first child was just over a week away and Enid was quite ill. By the time he became Premier of Tasmania in October 1923, he was the father of six. By then, he and Enid had set up home in seven different houses, with Enid adept not only at packing and moving but also at coping as a 'grass widow' or single parent for most of that time. Following Desmond's birth, they tried living in Deloraine – a couple of hours closer to Hobart than Devonport, but still a gruelling nine hours by train to the capital. After renting two houses in Deloraine over as many years, Enid felt she would be better off nearer her family. By then, Enid had given birth to her second child, a little girl they named Sheila. The birth, however, came with family sorrow. Enid had caught a flu just prior to Sheila's birth in September 1918, and after arriving at her mother's home, where she was to have the baby, Enid seems to have passed the virus on to her brother Bert. Two months later, as Enid nursed her new baby, thirteen-year-old Bert died.

Joe and Enid moved back to Devonport and the house they had built on their orchard as a newly married couple. They had no car, and the house was three kilometres from the town, with no town water, no electricity, no sewerage and no phone. By early 1919, Enid was pregnant again and would give birth to baby Enid as Joe campaigned for the federal election in December. The following year, Enid was expecting her fourth child, due in late December. By this

time, their house and orchard on the outskirts of Devonport had become too hard to manage. Soon after the birth of Kathleen on 31 December, Joe and Enid decided to sell up and move closer to town, where Enid would have access to amenities and Joe would be nearer his constituents. They bought a tidy brick home in central Devonport where the eldest of the young Lyons brood could attend school and Enid could manage with home help and shop easily. The Burnells, a short train ride away, and Joe's sisters in Devonport were on hand to mind children when Enid gave birth, needed help with sick children or travelled with Joe. Clearly, Enid's extended family was more help than Joe in her life as a mother of so many very young children.

Moreover, while Enid joined her husband for many election meetings, she was not the unseen manager of his political life as some have imagined. On the road, Joe would sometimes push her onto the stage to say a few words, which, in the beginning, Enid was very shy about, but increasingly enjoyed. It was not until the 1922 election campaign that she made her first proper speech – as a fill-in when Joe was running late for a meeting. After this, Lyons realised Enid's presence on stage was a vote winner and, as leader, began to use her there liberally. Lyons was never threatened, like many men of his generation might have been, by a successful or prominent wife. After Labor's loss at the 1919 federal election, Enid helped more with electoral paperwork and became increasingly involved with the Labor Party, of which she too was a member. When Lyons became leader in 1916, the Lyons couple regularly attended state conferences together, Enid occasionally putting or amending a motion and often arguing an opposite position to liven debates.

In her Australian National Library interview, in 1972, Enid Lyons told it squarely – she had been a mere 'schoolgirl' when she married. Her political activism had all been learned from Joe. He was the tactical Labor strategist. Lyons organised her contributions at party conferences such as her amendment to a motion at

the May 1918 state conference to be put to the federal conference that ‘no action be taken in any future wars without the approval of electors by means of a referendum – unless Australia be directly attacked’. At that conference she also worked with Labor stalwart and Irishman, publisher, editor and founding member of the Tasmanian WPL, James Dwyer-Gray, to sponsor a proposal to support ‘compulsory military training but not compulsory enlistment’. But it was Joe Lyons who was the strategist, the politician always available for meetings and party duties, whatever family development might be happening. Lyons was the MP who could retake a dissident branch, close off debate in the House if it threatened Labor, head to Sydney to help Labor in the 1917 NSW election, and network among mainland Labor personalities in the chance that one day he may go federal. Lyons was a political master at tactics even while assuming a genial, conciliatory style as leader – a style that won him respect and supporters.

Labor and the Catholic issue

Taking over Labor’s leadership in Tasmania in November 1916 meant difficult times for a Catholic of Irish background like Joe Lyons. The war’s divisions tested Empire loyalty, as did the Easter Rebellion in Dublin in 1916, a debate that had poisoned Anglo views of Catholics and supporters of Home Rule. Russia’s Bolshevik takeover in 1917 had also prompted calls from unions for the ‘socialisation’ of economies, and for Labor governments to take on ‘capital’ as the enemy and reinvent the ‘state’. Lyons’ character and ambition cannot be underestimated at this point. He walked a delicate path between that of stalwart Labor comrade and practical Labor operative. In many ways, Lyons’ years as opposition leader in Tasmania shaped Lyons as premier and prime minister. These years took him through radical extremes among Labor’s increasingly internationalised and left-wing ideologies, from which he would

eventually retreat to a pragmatic but economically prudent stance as the realities of governing became clear.

The First World War in many cases devastated groups, from sports teams to local associations, as it did political parties. John Reynolds, in Frank Green's *A Century of Responsible Government, 1856–1956*, summarised Labor's fate at the 1916 state election, writing that 'many of Labor's best workers and supporters had enlisted or left the state for work elsewhere ... [and] led by that astute campaigner, Walter H Lee, the Liberals returned to office.' In spite of a hostile Upper House, a lot of Labor's legislation before 1916 had succeeded: continuing education development, reorganising the public service, improving town-planning, along with more control of money-lending and more regulated hours and conditions for miners. But the war had also crippled Tasmania's economy, forcing the establishment of a labour bureau to help people find work; food was rationed and taxes rose to cover increased expenditure. With Labor losing strength at its base, a loss of government was inevitable. But there was more. While the tide for Labor had turned, it was a bitter turning.

From its early years, Labor had dealt with caution in its close social connections to the Catholic minority. Many Catholics saw in Labor a party that would champion the class struggle of the working poor – where most Australian Catholic families belonged. This was, as Michael Hogan has demonstrated in *The Sectarian Strand*, a cultural and social attraction and not directed in any way from the hierarchy of the Catholic Church. Prior to the conscription debates, both the Victorian Labor Party and the Workers' Political League in Tasmania had taken direct action to distance Labor from outside organisations, in particular the Catholic Federation.

On 6 April 1915, a sardonic *Mercury* report summed up developments within Labor aimed at the Catholic Federation. For years, the report said, many 'Roman' Catholics across Australia had given 'their votes and influence' in support of Labor candidates, undoubtedly in the hope that the Labor Party would, in return, support

the 'long-hoped-for goal of State aid to Catholic schools'. With a tinge of vindication, the anti-Labor (and anti-Catholic) *Mercury* went on to describe how Catholics had instead been stung by Labor in both Victoria and Tasmania where the party had banned members of outside organisations. In Tasmania, Caucus had announced that anyone supporting state aid for Catholic schools would not be accepted as a Labor candidate; in Victoria the Political Labor Conference had ruled that no person could remain a member of the Labor Party and belong to an outside organisation which supported candidates for election. Melbourne's Archbishop Carr, the *Mercury* continued, had declared this meant 'war on the Catholic people'.

Labor was happy to attract votes from individual Catholics, but not to allow infiltration of its ranks by operatives of the Catholic Federation. This power struggle within Labor would last for decades in various manifestations. The resistance of Labor delegates to the influence of sectional and Catholic activists was not just a response to outsiders taking over, it also fitted with the aspiration of intellectual Labor and the unions to focus Labor policy on a secular reorganisation of society. Where, in the nineteenth century, it had been the churches that had run schools, distributed charity and gathered up the sick and destitute into hospices and orphanages, a Labor state would work towards better government provision of social services.

Significantly, it was Labor MPs in Tasmania who agitated for education reform, land reform and legislation to control and improve working conditions. In September 1909, as a rookie MP, Joe Lyons had introduced a Private Member's Bill for increased expenditure to establish a properly equipped state sanatorium for the cure of people with tuberculosis, a disease raging at the time. James Long, Minister for Lands and Works, complimented Lyons in the House, saying he 'could not have more worthily commenced his political career than by introducing such a subject for legislation'. The Bill did not succeed but the government allocated greater funding for tuberculosis

treatment. While many on the non-Labor side of politics increasingly accepted a widening of the state's responsibilities, most often it was Labor MPs who pushed along the social agenda.

Lyons' support for the Labor ethic of a better deal for the working classes and a widening of state responsibility was instinctive. Much of his reading on the plight of the working poor was popular, not academic, as in his reference to the works of Jack London and others in his letters to Enid. He was not immersed in the tracts of the Fabians or in Marxist traditions, although he did call himself a socialist and addressed his colleagues in the tribal leftist way as 'brother' or 'comrade'. And he subscribed for many years to the AWU's *Australian Worker*. His attraction to Labor also had little to do with his background as a Catholic. He mixed easily with Catholic and non-Catholic alike and distrusted the political activities of the Catholic Federation and its support of government finance for Catholic schools. Lyons had been an honorary member of the St Vincent de Paul Society in Launceston from its inception, as a congratulatory telegram from the society's president reminded him in November 1929. But Lyons had little faith in sectional interest groups to make a political difference without their inclusion in the mainstream. He also sensed the fragility of social cohesion and the potential damage from any outbreak of militant sectarianism in a strongly Anglo-Protestant dominance of a minority Irish Catholic tradition. His mother's interest in Irish politics had familiarised Lyons from an early age with the history of such protest.

Following the defection of the pro-conscriptionists to the Hughes Nationalists, Labor's revised base had taken the party into ideological territory that would hurt its electoral chances for a decade. It also brought a backlash from many who believed such forces had undermined the war effort while their sons and fathers fought the Germans. These patriotic ordinary Australians – the majority – saw such left-wing forces as influenced by seditious leanings to Irish, anti-British rebels and 'Reds' or European socialists.

Melbourne's popular and outspoken anti-British and Catholic Archbishop Daniel Mannix, who had arrived from Ireland in 1913, added to the distrust of Catholics from Protestant stalwarts.

In October 1912, Lyons had told the House that he believed in the establishment of state secondary schools, in fact he was one of the strongest advocates for them. However, in October 1914, when Liberal Norman Ewing told the House he was opposed to denominational schools receiving public money and added that he would always speak against 'the voting of money to the Roman Catholic, Anglican or any other denomination', Lyons accused Ewing of raising the 'sectarian issue'. He had agreed with Ewing on opposing funding for non-government schools but was extremely sensitive to any reference in the House that suggested religion could divide members. This was undoubtedly Lyons trying to conciliate in what he felt was a society that kept its equilibrium delicately poised above deep sectarian divides.

Lyons' sensitivity to mainstream concerns did not endear him to the heroes of Catholic sectional interest such as Daniel Mannix, whose arguments for government assistance for Catholic schools and intervention, after 1916, in the conscription debates probably set the cause of Catholics back decades. The outspoken and divisive Mannix rallied the hopes of his Catholic adherents, but also provoked an unhelpful sectarian backlash. As the much-loved Archbishop Mannix revelled in the response among his flock to his rousing and biting addresses at public gatherings, Catholic working-class men found themselves discriminated against for jobs and employment. All this Joe Lyons feared as he struggled to keep his religion out of his politics.

Historian Michael Hogan, in *The Sectarian Strand*, has challenged the notion that Australia emerged out of the Great War with a new national pride and consciousness from the deeds of its heroic Anzacs on the international stage. This, he believes, is contradicted by what followed at home, where Hogan points to a period of 'great

social division between Australians, especially on the bases of class, ethnicity and religion'. The divide came in large and small illustrations, almost daily. The minutes of the central executive of the Tasmanian WPL for 11 May 1918 record the executive receiving a letter from a Tasmanian member named Mr Santamaria regarding the unfair treatment of Italians in Australia. The contents of the letter were serious enough for the meeting to send it on to Labor's federal executive. In largely Anglo Tasmania, minority groups would feel the sectarian sting long after the war.

Tasmanian human rights advocate Rodney Croome, who grew up in the 1970s in the dairy country near northern Tasmania's Sheffield, had a great-grandfather who was a close friend of Eliza Burdett at the time of the conscription debates. Croome recalls that the sectarian divide was pronounced in northern Tasmania even when he lived there. His grandmother was a strict Baptist and when he chose to attend the Catholic John Fisher College at Tasmania University she was troubled, saying, 'Those people don't read the Bible.' Croome remembers also that, for his older Protestant relatives, the divide could sometimes be crossed – they accepted some 'good' Catholics, people like Joe Lyons. As it was for Croome, children absorbed a consciousness of the distance between religious backgrounds from an early age, even if hostility rarely broke the surface. It was the same for Joe Lyons, who always sought to be part of the mainstream. Then the conscription debates, the First World War and the 1920s brought social divisions into the open with an ugliness Joe Lyons had always feared.

Sectarianism

The first serious sign for Tasmanian Labor that sectarianism had entered political debate came in the lead-up to the Legislative Council elections on 4 May 1915. Hobart's anti-Catholic *Mercury* attacked two Labor Catholic candidates over their membership of

outside 'Catholic' organisations: James Dwyer-Gray (son and grandson of Irish politicians and editor of Labor's *The Daily Post*) and his Labor colleague Martin Ryan. This, the paper concluded, made them unsuitable as Labor candidates. Making mischief among the Labor forces while having a dig at Catholics in politics, the *Mercury* opined on 6 April, 'they will have the choice between leaving the Labor Party or quarrelling with the Catholic Federation'. Labor eventually endorsed no single candidate for the Legislative Council elections in the seat and both Dwyer-Gray and Ryan stood, but not before a public spat had damaged their chances.

On Sunday 18 April, Hobart priest Father John Travers attacked Dwyer-Gray from the pulpit for his support of Labor's policy on education and Catholic schools. Dwyer-Gray struck back in a speech on the Hobart Domain hours later, then published his own rejoinder and criticism of John Travers in the *Daily Post* the following day, without printing Travers' letter of explanation. When the *Mercury* agreed to publish Travers' letter, Dwyer-Gray threatened to sue. This made entertaining reading in the *Mercury's* editorial the following Saturday. Meanwhile, Joe Lyons had weighed in to support Dwyer-Gray, as a letter in the *Mercury* revealed on 21 April.

The correspondent 'An Elector' had attended a meeting at the Hobart Town Hall to hear Martin Ryan. After Ryan had spoken, Treasurer Joe Lyons took the podium (Joe's wedding to Enid was just a week away) only to praise Dwyer-Gray highly and attack Father Travers so strongly that the audience could have been excused for thinking it was Dwyer-Gray's meeting and not Martin Ryan's. The correspondent was in fact a supporter of incumbent Frank Bond. The letter illustrated how Labor's opponents could win by exploiting sectarian divisions. As Catholics divided, the public focus on minority Catholic influence undermined the Labor candidates. Frank Bond won his seat with an absolute majority; Dwyer-Gray received under 28 per cent of the vote, and Martin Ryan eight per cent.

Anti-Catholic/anti-Labor smearing had solidified in the mainstream press since the war years. At a large public meeting in the Hobart Town Hall on the evening of 20 November 1916, chaired by UIL president Martin Ryan, the number of Labor MPs on the platform caused the chairman to comment that ‘they were largely representing one party’ – that is, the Labor Party. New Labor leader Joe Lyons was singled out for his exceptional efforts to attend, having travelled since 5 am from the north to be there. Other Labor MPs not there had sent apologies and support. The *Daily Post* reported that Lyons had moved the first resolution to support Home Rule, accusing the British Government of tricking Irish leaders. Lyons wanted the meeting ‘to tell the Irish people that they were with them in their struggle and would be with them until Home Rule was achieved’. For Lyons and his Labor colleagues, Irish Home Rule was not a religious matter. But with such a number of Labor MPs tacking their colours to the anti-British Irish, Labor was easily targeted by Anglo opponents.

The *Mercury* continued its sectarian and anti-Labor campaign. By August 1918, Joe Lyons and his Labor colleagues were heatedly condemning the broadsheet in the parliament. Lyons argued that he had done everything in his power to sink the bitterness, but the *Mercury* continued to feed sectarianism in its pages. Lyons noted the *Mercury*’s report of a speech by the Chief Justice of Tasmania, Sir Herbert Nicholls, entitled ‘Playing Germany’s Game’. The Chief Justice had spoken of the ‘Australian view’ of the war and rejected views of the war being put by ‘the men fresh from Irish College in Rome’. In America, Lyons argued, that sort of attack on Catholics brought a jail sentence but in Tasmania it went unnoticed. The US Catholic Knights of the Southern Cross had raised millions for war relief and the French leader, General Foch, was a Catholic, said Lyons. He could not stand by and allow such sectarian attacks on his co-religionists to go uncondemned. Soon after, Labor’s Bill Sheridan requested that the Attorney-General try to ‘persuade his

Honour to refrain from making these unfair and injudicious public utterances'. The request was ruled out of order.

By September 1918, Lyons was so troubled by the sectarian climate, he moved an adjournment in the Assembly to discuss what he said was 'objectionable literature' being circulated in Tasmania by the Loyalty League. One pamphlet, entitled 'The Man who is Delaying Peace', accused the Pope of preventing peace through intrigues with Austria. Catholics were unjustly being accused of supporting the enemy. In parliament, Lyons read sections of an article from the mainland's *Catholic Press* in support of his case. Even non-Catholics had approached him, disturbed by the sectarian nature of the Loyalty League's campaign in Tasmania. Lyons stressed his objections were made as a leader of the opposition, not as a Catholic.

For Lyons' troubles, Liberal Premier Walter Lee did not condemn the pamphlet. In fact, he appeared to make excuses for it and sat by as Alexander Marshall MHA, president of the Loyalty League, expounded on the role of the Irish Catholic hierarchy in encouraging the Irish to 'stand aside from taking part in the Allies' great struggle for freedom'. Marshall added that the Irish had 'formed an unholy alliance with revolutionists'. Lyons protested that there was not an atom of proof of anything of the kind. These were hard days indeed for a Catholic Labor leader.

Frank Green, good friend to both Joe Lyons and Lyndhurst Giblin, returned to Hobart in October 1919 from overseas war service. In *Servant of the House*, Green recalled his reaction to the atmosphere he found on his return:

After being absent from Australia for four years I was shocked at the extent to which sectarianism and the troubles in Ireland had split the Australian community.

Green was especially disturbed at the treatment of the Member for Kalgoorlie, Hugh Mahon, Irish by birth and a Catholic. In November 1920, at a meeting for the Irish-Ireland League in Melbourne,

Mahon had condemned the British for the death in custody of the Mayor of Cork, Terence McSwiney, saying the Empire was a 'bloody and accursed despotism'. His comments were fully reported the next day. In an unprecedented move, Prime Minister Hughes led a debate in the House accusing Mahon of 'seditious and disloyal utterances'. Using its numbers, the Hughes Government voted Mahon's expulsion from parliament. Frank Green was dismayed. Mahon may or may not have been guilty of sedition, but it was not the place of a 'House with a considerable amount of political and sectarian bias, in some cases amounting to bigotry' to make the judgment; the courts alone had that role.

By the time of the May 1919 state election, Lyons was fighting off renewed attempts by the Catholic Federation to pressure Labor over state aid for Catholic schools. Late in the campaign, less than a week before voting day, the *Mercury* reported that Catholic Federation pamphlets handed out at a Launceston Catholic church the Sunday before had given the names of Labor candidates for Bass which the federation would be supporting. The pamphlet implied these Labor candidates had given hope that the Labor Party would favour 'Catholic claims'. In a letter to the *World* on 29 May 1919, Lyons rejected this out of hand, writing that 'an impression likely to be created by the action of the Catholic Federation' during the campaign 'that Labor candidates have promised to support State assistance to private schools' was completely incorrect. He added, 'Such a promise is absolutely impossible, as it is in conflict with our platform ... and any candidate violating such pledge would be expelled from the Australian Labor Party.'

As Labor, led by Catholic Joe Lyons, fended off the Catholic Federation, the Loyalty League was pamphleteering against votes for any Catholic, reports of which were published in local newspapers: 'Don't vote for a Catholic. Whoever you cast your vote for on Saturday, let it be a Protestant. Protestants have been loyal to the British Empire.' Sectarianism undoubtedly marred any hopes

Tasmanian Labor had for the 1919 election. Labor might rail against inflated prices and a stagnant state economy, but Joe Lyons' arguments for budget economies and state enterprises were drowned out by the cloud of doubt over Labor as the party of state socialism and outside influence. In May 1919, Tasmanian Labor suffered a dismal defeat, losing another seat, with the Liberals left to govern comfortably in their own right. While he easily retained his own seat, Joe Lyons' personal vote fell dramatically; Lyons blamed the Catholic Federation.

In December that year, Lyons was sufficiently dispirited at state politics to stand, unsuccessfully, as a candidate for the seat of Darwin (now Braddon) in the federal election. This was the first federal election in Australia to use preferential voting and it was a wipeout for Labor in the House of Representatives poll. The Nationalists won all five Tasmanian seats; Labor stood in only three. Ironically, the seat of Darwin that year was won for the Nationalists by George Bell, who would be replaced as the local member after his retirement in 1943 by Enid Lyons.

Shocked at his election loss – the only one Lyons would ever experience in politics – he retreated to Devonport. A Tasmanian parliamentarian who tried for a federal seat, especially a parliamentarian with Lyons' influence, could still return to the state parliament if unsuccessful. Lyons retained both his seat in the Legislative Assembly and his leadership of the Labor opposition. It was time to review his ambitions. In *Eighty Years Labor*, Richard Davis has written of Lyons in late 1919 as caught by an 'ambiguous lethargy'. Lyons' political hopes had become increasingly overlaid by a sense of stagnation among colleagues at odds over the party's direction. Added to that was an anti-Labor, and sectarian, political atmosphere.

The business of managing an organisation would eventually make Lyons increasingly pragmatic. But in 1919 he could only wonder at how the party leadership might cut through public suspicions of Labor when the party was so weighed down by radical

calls for direct action from the union arm. Lyons wrote to his Labor 'comrades' in the Burnie branch a few weeks after his miserable federal defeat: 'That we didn't win was not your fault, and especially was it not the fault of the women of your branch ... whom I want you specially to thank for me for their unselfish efforts on my behalf' – women like party member, and staunch Methodist, Eliza Burnell.

'Red' politics

During the Tasmanian elections in March 1916, NSW Labor Premier William Holman had come to Tasmania to campaign for Labor. But by March 1917, Premier Holman was fighting the NSW state election as a Nationalist candidate, and Joe Lyons had been voted £10 in expenses by the central executive of the Tasmanian Labour Federation to travel to Sydney to help Labor campaign against Holman. The NSW Nationalists scored a resounding victory in that election, and also in May 1917 with Billy Hughes leading the federal Nationalists. But for all the strength of Nationalist victories, there was growing worker discontent among the ranks of those left to work the nation while national heroes fought in Europe.

In the first week of August 1917, a strike by NSW railways and tramways workers quickly spread to workers in most industries associated with the transport and fuel industries, and across borders to Queensland and Victoria. In New South Wales, such was the confrontation between worker and government in the weeks that followed, the strike continued for nearly three months. Almost two per cent of the Australian workforce took part in the strike, with devastating consequences. Within weeks, many families, without wages, were close to starvation. In the wartime emergency atmosphere, the NSW Government took control of industries, stock and machinery; seized union property; and jailed union leaders. Thousands of volunteers, meanwhile, helped keep essential services

running. Emotions boiled, with accusations of treachery against strikers while Australians were dying in Europe, bogged down and badly in need of reinforcements. Nearly a century later, with labour and government in a formalised and conciliatory relationship, it is hard to comprehend such tribulation and rancour – from both sides – being inflicted on fellow Australians

For the government and its supporters, the men on strike and their families were the enemy at home. For striking workers, however, economic conditions had reached breaking point. Wages had fallen, prices had ballooned and war profiteers were blamed. In an explosion of rage, all begun over a new system of recording times of work, Australian unionists were suddenly in solidarity with their socialist comrades in Europe. In ‘Crime and Punishment’ (*Strikes: Studies in Twentieth Century Australian Social History*), Dan Coward argues that these emotions emerged from the acrimonious political attitude of the preceding nine months. Labor MPs had been referred to as the ‘German reserve’ and accused of collaboration with radical groups such as the International Workers of the World (an unlawful organisation). Coward concludes, ‘The strike was seen to be analogous to the chaos in Russia, both for its impact on society and its effect on the war effort.’

Enid Lyons was a retired Liberal Party MP in 1964 when she wrote her memoir *So We Take Comfort*. Her conservative views were by then well known. Yet her recollections of being with Labor in the 1920s are a gently phrased account of what today appears to be suicidal politics for Labor, along with extreme political naivety. Calls for socialisation of the means of production had caught on in union movements with Labor federations exhibiting the fervour of global-warming reformers decades later. The intellectual underpinnings of Labor collectives were fired with belief in the saving power of the nationalisation of industries and a broadening of the social wage.

It was hard not to be swept up in the rejuvenation of left-wing thinking at this time, and it is no coincidence that the Australian

Communist Party came into being in 1920. As early as February 1918, the minutes of the Tasmanian Labor Federation show that, should the money be found, the state party was keen to send a Tasmanian delegate to what the committee termed 'the Russia and Stockholm conference'. As Enid Lyons described it all, from her Tasmanian and Australian perspective:

The new world promised while the war was in progress had not materialised. Political feeling was strong. Political thinking of the hard, penetrating kind was less in evidence. Thousands who supported the new idea had no real definition of socialism to advance and no clear-cut ideas on how it would work. Joe was among them.

As was Enid Lyons herself. At the 1920 Labor state conference in Launceston on 13 May, Enid Lyons moved that 'no trading company or proprietary [company] be permitted to retain net profits in excess of 15 per cent per annum or 7½ per cent per half year on the next paid up capital'. At the Launceston conference in September 1921, Enid Lyons moved an amendment to remove the word 'revolution' from a resolution but agreed to the words 'the struggle must continue until capitalism is abolished'.

Philip Hart has written that Joe Lyons' embrace of the socialisation idea in the 1920s – however temporary – came from 'his search for a stronger, more integrated party organisation to replace the disorganised base provided for the parliamentary party for the unions and the party branches'. In these post-war years, Tasmanian Labor suffered seriously from division, not just between the union arm and the parliamentary wing but with policy differences between parliamentary and executive colleagues. The *Daily Post*'s Dwyer-Gray favoured the One Big Union (OBU) extremes of direct action. At the other end, James Ogden provided steady and pragmatic opposition to most radical swings, including against Albert Ogilvie and Robert Cosgrove's unsuccessful state conference motion in 1917 for

complete socialisation. Albert Olgilvie's biographer, Michael Roe, has written of how 'in the fervid political atmosphere of the Great War years [Ogilvie] upheld leftist and Catholic interests within the Labor Party, and so won election to the House of Assembly, for Franklin, in May 1919.'

All this cost Labor hugely. At the May 1919 Tasmanian Labor state conference, the troubling debate over the OBU and revolutionary union attitudes drew strong words from Lyons. He favoured a single big union but not while the industrial wing was fighting over how it should be introduced. As the *World* reported on 6 May:

He was in favour of the principle of the OBU but he wanted a workable scheme upon which all industrialists of Australia were agreed ... present political methods were futile while they were on the eve of an election and if any of them thought that way, then for God's sake let them get out of the contest and go home.

For this there was applause. The pragmatists had won the moment but such divisions would lose Tasmanian Labor the coming election – and badly.

The *World* was denied entry to the Tasmanian Labor conference at Launceston in May 1920. By 1922, Dwyer-Gray had crossed swords with the Labor executive and was expelled from the Labor Party, although later he would be reinstated. At the All-Australian Trades Union Congress in Melbourne in July 1922, Dwyer-Gray declared that the greatest traitor to the trade union movement was Tasmania's Labor leader, Joe Lyons. Dwyer-Gray would become a supporter of controversial NSW Labor leader Jack Lang in his swings against capitalism, which were stirring but unworkable and eventually destructive of the whole federal Labor Party.

In 1921, with all these divisions and following his nadir in failing to win a federal seat, Lyons decided to go with the strength and throw his weight behind solidarity and the One Big Union idea. A conference in Sydney of some of Australia's biggest unions in the first

week of March prompted the *World* editorial of 14 March to declare that the OBU was 'not merely an ideal – but a practically attainable ideal'. On the Sunday before, Joe Lyons had addressed a huge rally on the Hobart Domain where he had urged Labor supporters to rally behind the conference of all Australian unions in Melbourne that June where there would be a comprehensive program 'for action for the betterment of the working classes of Australia'. This would be followed by a huge conference of the Australian Labor Party. He added:

If you workers will put your shoulder to the wheel, get into the various organisations and work wholeheartedly for the betterment of yourselves and your fellow men, you can sweep the polls for Labor in every constituency you like. [Cheers] You can return a Labor Government to power to carry out your behests.

There was no ambiguous lethargy in Lyons now. He thought he had found a unifier in these difficult days. He would, in time, regret some of this extremism after the 1922 state election. But, for now, capitalism was the enemy; the capitalist system had failed the working man. Labor would bring a new social order.

At the Burnie state conference in July, Lyons and Belton appealed to their Labor colleagues for unity. But Lyons was also stirred up against his conservative opponents. The gathering of over three hundred delegates at the All-Australian Trades Union Congress in Melbourne less than a fortnight before had quickened the mood for action, and put fire in bellies. The *World* could report, on 6 July 1921, how Lyons had told the Burnie assembly of his dissatisfaction with 'the way the movement had been sagging in Tasmania and some of the other States, owing to the breach that had arisen between the industrial and political sections. They must break away from the petty quarrels of the past.' And to rouse them in a new unity, Lyons went on to pour scorn on the treatment of ordinary Australians by their conservative bosses: 'A system that was

constantly bringing about wars and poverty and misery and unemployment had no jurisdiction for its existence. [Loud applause]' Continuing to up the ante, Lyons extended his list of opponents:

... one only has to hold up the sectarian flag on election day, and they will put a boot on the foot that is constantly kicking them. I may have said some things that would be unpopular for politicians to advocate, but I don't care. [Hear, hear] If we are not prepared to go forward with a progressive industrial policy, the sooner we are scrapped the better. [Applause] If we want to swing on the tail of the Nationalists let us say so at once. [Loud applause].

It was riveting stuff. At a special conference in Launceston just prior to the Brisbane federal conference, Tasmanian Labor adopted the Melbourne Trades Union Congress resolutions of socialisation.

Such were the extremes of Lyons' rallying speeches at the conference, Premier Walter Lee declared, as the *World* reported on 6 July, that Lyons' statements at the Burnie Labor conference, showed how he 'favoured revolution by the destruction of the capitalist system'. At the Burnie conference Lyons was one of the six delegates elected to attend the federal Labor Party conference in Brisbane in September, but, as Enid Lyons has recorded, 'owing to personal and party funds he and three others were unable to attend'. The Brisbane conference supported the socialisation objective which the All-Australian Trades Union Congress had passed in June. But a qualification was added, put by Melbourne lawyer Maurice Blackburn, that the party did 'not seek to abolish private ownership even of any instruments of production where such instruments [were] utilised by their owners in a socially useful manner and without exploitation'. As the fallout from the radicalisation of policy became clear, the Tasmanian delegates who were able to attend claimed they had not been present for the vote in Brisbane on socialisation, although this was not recorded in the minutes.

Lyons' support for the radicalisation of the Labor platform had revived the Labor spirit among the rank and file in Tasmania. But the stand threatened the party electorally across the state. By March 1922, a state election looming within months, Lyons found himself defending Labor against attacks from Premier Lee that Labor was not so much a mainstream party as a group based on narrow sectional interests, much like the Primary Producers Association. Lyons might protest in the parliament that he had initiated proposals to benefit farmers not just trade unionists, but Labor's socialisation objective undermined all of that.

Launching Labor's campaign in Devonport in the first week of May, Lyons made a complete reversal of political line. He was back to his old pragmatic arguments against the Nationalists, scoring points as the *World* reported 'on account of [Nationalist] failure as administrators and business men'. He finished his speech to a packed Majestic Theatre with 'a thunder of applause' and 'ringing cheers'.

Lyons was a brilliant campaigner, but not enough to win back ground Labor had lost by its radical associations. In this campaign, after months of left-wing fervour, Lyons began by presenting as if he had never supported the socialisation objective, emphasising Labor strengths against a somewhat weary conservative administration. The Lee Government had doubled public debt in just five years, an amount that was half of what all other Tasmanian governments had incurred in debt over six decades. A Labor Government would not be able to wind back the debt in a single parliament but would make inroads into cutting government expenditure. Much would be saved by abolishing the Legislative Council and the office of state Governor. At the same time, Lyons strongly supported the Hydro-Electric Company as a state enterprise regardless of the cost – as he had argued in the parliament in July 1921, the HEC had created employment and Tasmania would have been worse off without it. Lyons wanted a greater share of taxation on the landed

estates, what he had told parliament was about taxing the man who kept the land idle rather than the man (small farmer) who was producing goods from it.

It was Lyons at his most familiar. Even so, Labor lost a seat in Franklin in the 1922 election, finishing with just 12 members in the House. But with the introduction of preferential voting, a new force had appeared. Lee's Nationalists also lost seats to the newly formed Country Party, which managed to gain five seats in the new parliament. Lee retained government with the support of the CP, but Tasmanian politics was no longer a simple divide.

7



Alternative premier

Mr Lyons and his colleagues will now have to face a position that Sir Walter Lee himself admits is desperate. Half the revenue must go in interest. That cannot be reduced.

The World, 25 October 1923

Hobart in 1922 was a small city clustered between the lower slopes of Mount Wellington and the wide expanse of the Derwent River. Low-rise shops and dwellings filled its network of streets as far as the Elizabeth Street quay. Shoppers and businessmen leaving their offices could glimpse the masts of sailing ships and the smoke stacks of steamers, so vital to Tasmania's economy and just blocks from the centre of town. Substantial late nineteenth-century stone edifices, mostly of public buildings, dominated central Hobart along Macquarie and Davey streets. And, as the main feature of a modern city of the day, Hobart's double-decker electric trams running up and down undulating thoroughfares offered a public transport system ahead of other Australian capital cities. Trains from the north pulled up at Hobart's central station below the southern side

of the Domain, while high on its eastern side, on fifteen hectares and imposing in its dimensions, sat the neo-gothic 73-room Government House, emblem of Tasmanian society and its links to the British establishment. Hobart town and its neat surrounds in 1922, however, belied some worrying statistics.

In spite of images left by F. Scott Fitzgerald's classic *The Great Gatsby*, the 1920s were not roaring for governments in Australia. Writing of 1920s Australia, economic historian C B Schedvin concluded: 'The economy stagnated: real national product fell gradually, and product per head more rapidly, so that by 1927 – well before the overseas collapse – Australia was already in a state of serious recession.' In Tasmania the situation was compounded further by higher costs to government than mainland states due to its isolation and island geography as part of a federation. Much of its most productive population chose emigration to the mainland.

The rise of the Country Party was set against this backdrop of falling world prices for commodities. The rally in world post-war commodity prices soon ended, with a complete collapse in 1921. This paralleled Australia's national and state governments' determination to modernise town infrastructures through borrowings. Urbanisation, like the twenty-first century communications revolution, increasingly attracted public spending – roads, transport, sewerage, water supply, electricity and so on. And, thanks to the Harvester Judgment of 1907, Australia had installed what economist Douglas Copland labelled the most rigid economy in the world. This had cost implications for government projects as much as for the private investor. In *Australia*, Keith Hancock noted how in 1920 the chairman of a special Basic Wage Commission had pointed out that the strictures of Australia's basic wage – calculated as serving an idealised family of father, mother and three children – meant 'Australian industries were paying for 450 000 non-existent wives and 2 100 000 non-existent children.' Added to all this was the enormous war debt still to pay.

It was a state government fraught with tension and insecurity that returned to parliament after Tasmania's June 1922 state election. Labor and Nationalists had each won twelve seats and the Country Party five, with Jens Jensen of Bass continuing as an Independent. In August, after an amendment by Country Party leader Ernest Blyth to the Address-in-Reply, Labor pushed for a vote of no confidence in the Lee Government, 'the purpose of which was that the government no longer possessed the confidence of the House'. Seeing the numbers were against him, Premier Lee adjourned the House on 9 August and within days was forced to resign, advising the Governor to send for his Nationalist colleague John Hayes, who was more amenable to the CP. When the Assembly met again on 22 August, Hayes was Premier and Lee was Treasurer. In order to unite Country Party dissidents and the Nationalists, CP leader Ernest Blyth, cousin and brother-in-law of Premier Hayes, was made Minister for Lands and Mines. But Hayes lasted as premier only a year and Lee resumed the premiership on 14 August 1923. The divisions in conservative ranks continued, with the Nationalist Government delaying the recommendations of the Economy Board.

Lean times

The Lee Government had done its best to offload some of the costs to government of the hydro-electric project, Tasmania's vast project to electrify the state from its lakes and waterways, purchased with large borrowings by Labor's Earle Government. The scheme lacked take-up by international financiers as they became distracted by war. Joe Lyons continued to believe in the soundness of Tasmania's hydro system. On 18 January 1923, Lyons sent deputy opposition leader Jim Belton to represent him at the start-up of the Number 9 turbine at Waddamana in the central mountain lakes region. The large project was to supply extra power for Hobart's Risdon zinc works and Hobart citizens generally. In chilly summer weather, with snow

on mountain peaks, and surrounded by local dignitaries, Governor-General Lord Forster spoke of his pride at having his name associated with such a wonderful scheme to give Tasmania such a boost in power generation: 'There is no possible question as to its effect on the development of Tasmania as a whole.'

John Reynolds, in Frank Green's *A Century of Responsible Government, 1856–1956*, describes Walter Lee's success as Tasmanian Premier from 1916. Lee made possible new industrial undertakings, and he played a significant role in the sale of a substantial block of electricity to the Electrolytic Zinc Company, which led to the establishment of the zinc industry in Hobart. Lee also helped Electrolytic Zinc buy into mines at Mount Read and Mount Rosebery. Although Lee was criticised for the low prices paid by the company, Reynolds concluded that Lee 'could point to great benefit to the State resulting from the establishment of the zinc industry – constituting the largest single industry in the State'.

All of which helped but did not fundamentally change the basic problem that Tasmanians, like mainlanders generally, were living far beyond their means. As the Hayes Government was sworn in, the state's interest bill was swallowing a third of the state's annual revenue. Return on state investment in public services from this borrowing, moreover, was not forthcoming, with significant losses in railways, soldier settlement and shipping. On 25 January 1923, the *Mercury* devoted pages to printing the recommendations of the government's *Economy Board Report*. It editorialised that the report 'should be read with care by all who take a real interest in the welfare of the State'. Nothing much happened. In parliament, Joe Lyons acknowledged Labor's failure to win government in 1922. He put the loss down to the anti-Labor press and election campaign misrepresentations of Labor policies, including misrepresentations of Labor by the Country Party. He did not acknowledge, however, that Labor candidates had been divided between radicals and conservatives, some even fighting each other at the election and fragmenting

Labor's vote, leaving an image of division which had cost Labor the election.

Labor should have won that election. Lyons could argue with some force that the government was sticking to office like 'a limpet to a rock'. He could, and did, condemn the Lee Government for the state's staggering public debt, its failure to make any dent in that debt and for not providing homes for the poor and employment for those without work while taxing the working man 'all the time'. He deplored also the emigration of good Tasmanians as the population of the state continued to decline. Sounding a note of desperation, Lyons spoke of how Tasmanians 'might in the not too distant future have to fight for our existence'.

Lyons' personal life may have given an edge to his feelings on the penury of Tasmania at this time. Enid Lyons has written of 1922 as being one of severe privation for the Lyons family. Joe's salary as an opposition leader was continually eaten into by electoral obligations while their family continued to grow in an age when there was no public health system or child endowment. Family costs were borne by families. In addition, Enid Lyons estimated that some three-quarters of Joe's salary went in travel and costs incurred as a public figure, such as helping constituents and the party. There was no time to continue Lyons' small agency while opposition leader. During 1922, after the birth of their fifth child, Moira, Joe Lyons decided he should improve his professional qualifications by studying law. This meant they would need to move to Hobart, where he could take up an articled clerk position while retaining his position as Labor leader.

It was also during 1922 that Joe's sister Adeline had returned to Tasmania from New Zealand with her husband John Boland and their small son. Adeline, the big sister who had been such a support to Joe in his early years, was severely ill. Her condition did not improve. Within months she was admitted to New Norfolk psychiatric hospital. Helping with schooling for his nephew while giving

support to John Boland had been another consideration in Lyons' belief he needed an augmented income – as well as a chance to spend more time in Hobart to be nearer his sister. Adeline would die at New Norfolk in 1925, from heart trouble and enteritis.

By the time the Tasmanian Government was proudly announcing the completion of the Waddamana hydro turbine in late January 1923, Joe and Enid Lyons were well under way in their move to Hobart. Enid was also weeks off giving birth to Kevin, their sixth child (born on 7 February, exactly twelve months to the day after his older sister Moira's birth). With school enrolments to complete, a house to sell and another to find in Hobart, and a legal firm to settle into for his articles, Joe Lyons was handling domestic resettlement as a priority that January. It was not surprising, then, that Jim Belton had represented Lyons at the hydro start-up. Joe's recently married younger brother Tom Lyons and his wife Mavis had also settled in Hobart's New Town around this time. This was no doubt a factor when Joe and Enid Lyons also chose to live in New Town, where, in June 1923, they bought a three-bedroom house at 59 (now 67) Pedder Street, purchased in Enid's name only. The house was small, so a number of Lyons children shared bedrooms, but there was a large garden and the Sacred Heart Catholic church and school were located just across the intersection of Montague, Pedder and Clare streets at the front of the house. It was all very convenient for the large Lyons family with its busy itinerary. Within a month of purchasing the house, Enid Lyons had become secretary of the annual New Town convent fair. She would recall in her memoirs how happy life had been at the house in Pedder Street, at least until after the election of 1925.

A pragmatic team

The Tasmanian Government was thin and tired by 1923. Lyons and Labor had begun to appeal more widely as Tasmanians sensed the

desperation of their state. On 27 June 1923, Joe Lyons went on the attack in parliament over the government's failure to push back the crippling debt while productive workers continued to leave the state. The *Mercury* headlined the report: 'ANOTHER HUGE DEFICIT ... Mr Lyons gives startling population figures'. Even the *Mercury* seemed to have grown tired of the Nationalists.

Lyons had the cat by the tail. The list of government failures was damning. Old deficiencies such as the Tasmanian Upper House and its intransigent opposition to any reform of taxation were crippling the state. The federal government, argued Lyons, collected vastly more in revenue from taxing Tasmanians than their own state government did. This was because the federal taxation measures were decided by a government made up of 'two chambers elected by the whole of the people'. Tasmania's Legislative Council continued to represent only a section of Lower House voters, with its franchise limited by qualifications for voters through property ownership and yearly earnings. It was not until 1968 that voting for the Legislative Council was extended to all adult Tasmanians. In 1923, the propertied class that controlled the Legislative Council was not prepared to levy higher taxes on the landed few. There was no use Labor putting a motion of no-confidence in the government, said Lyons; Nationalist members recognised they had failed Tasmanians. But they were too frightened to face the people for a verdict at the polls or cross the floor to agree with the opposition. Lyons ended his speech to parliament by suggesting that Tasmania's indebtedness was so severe, and its governance so weak, the state could become a federal territory, taken over because of its failure to manage.

Reports in the conservative *Mercury* continued to reflect a general disenchantment across the state with the Nationalist Government. On 4 July, the Devonport state teachers' conference heard outrage from teacher delegates at the government's reduction of teachers' salaries by between five and fifteen per cent. Real hardship had hit the profession. The findings of the report of the Economy

Board seemed to have fallen solely on the families and individuals of the teaching community. On 7 July, the *Mercury* noted that groups associated with the Country Party – the Farmers and Stockowners Association, the Primary Producers Union and the Port Huon Company – were forming a separate Country Party political group. As the *Mercury* concluded, ‘the continuance of the existence of a Country Party, as distinct from the Nationalist Party, is positively dangerous and most likely to strengthen the Labor Party’.

Labor was at last being spoken of as an alternative government. This new found energy owed much to Lyons, who could speak with the authority of someone ready to administer the state, not simply push his party line. In *Eighty Years Labor*, Richard Davis describes a transformation of the Tasmanian Labor Party after the state conference of 1922, one that turned formerly divided members into a more pragmatic force behind the leadership of Lyons. The disastrous and fragmented 1922 state election campaign had been a wake-up call. During that campaign, right groups behind Jim Ogden had opposed left-wingers or pro-AWU groups behind James McDonald. In its wake, Dwyer-Gray and the radical Denison Divisional Council were denounced and the party swung to a more conservative centre. The party moderated, and voters became less anxious about Labor as Tasmania’s economic position became more parlous.

At a Commonwealth level, the Nationalists were fading also. The December 1922 federal election was a low point for the Hughes administration, as well as for voters generally. Nationally, less than 60 per cent of those enrolled voted, and in Tasmania and Western Australia less than half of enrolled voters cast a ballot. In 1924, Australia adopted compulsory voting.

In 1922, Hughes’ Nationalists lost their overall majority and needed the Country Party’s support in coalition in order to govern. During the campaign, however, Country Party leader Earle Page had made it clear that his members could not work with Hughes as prime minister. They held Hughes responsible for maintaining a

high level of tariffs on manufactured goods and causing rising costs for primary producers at a time of low commodity prices. Irascible and high-handed, Hughes was eventually forced to resign and allow Stanley Bruce to become Nationalist Prime Minister on 9 February 1923. A coalition with the CP was then negotiated. To appease Page, Bruce gave five of the eleven cabinet spots to CP members, and appointed Page as deputy leader of the Bruce–Page Government. It was an informal agreement but it worked. B D Graham has recorded in *The Formation of the Australian Country Parties* that the only formal agreement between the coalition parties was ‘set down in Bruce’s handwriting’, including the arrangement that ‘the two parliamentary parties would continue to meet separately, and that if Page resigned the Country Party ministers should withdraw from the cabinet with him’. Across the nation, CP members could take heart at their quick ascension to power.

Crisis and minority government

Tasmania’s governing Nationalists clung on to power with the help of Country Party members even as the *Mercury*’s summary of parliamentary proceedings (Tasmania’s ‘Hansard’ in the absence of an official record) noted criticism that the CP had been ‘swallowed and digested’ by the Nationalist Party in parliament. By September, however, Lee’s Nationalists were in crisis again. In Tasmania’s Labor Party central executive minutes for 10 October it is clear Labor was simply waiting for its opponents to fall apart. At the meeting, the Tasmanian Labor executive voted to accept federal Labor’s offer of assistance in reorganising the Tasmanian party ‘as there was every likelihood of a political crisis, and every possibility of an election in the near future’.

Lyons soon after launched a serious attack on seven years of incompetence by a Nationalist Government. He used the deteriorating condition of the State Railways administration and the

dismissal of the State Railways Commissioner for improper conduct as his spearhead. The failure of the government to deal with Tasmania's finances had brought an 'awful financial avalanche', Lyons said. Premier Lee argued, over and over, that Tasmanians would not have to face the state's financial obligations alone. Yet Tasmanians continued to suffer from his administrative weakness. The Lee Government survived Labor's no-confidence motion by just one vote when Nationalist Peter Murdoch crossed the floor. But this was a death rattle. In the House of Assembly on Tuesday 23 October, Labor was joined by three government dissidents to defeat the government's motion for its financial proposals to go to a committee. Nationalists Grant and Murdoch, as well as Country Party leader E F Blyth, supported Labor. Blyth would soon after be asked to resign his CP leadership as a result. Joe Lyons only had to wait for a call from Government House to be asked to form a government.

Enid Lyons has recorded how the day after the Lee Government lost its vote in the Assembly, Joe Lyons took a call from Tasmania's Administrator, otherwise known as Tasmania's Lieutenant Governor Sir Herbert Nicholls, a former state MP who was filling in for the absent Tasmanian Governor, Sir William Allardyce. The call came around mid-morning to the home of a neighbour; Labor's leader did not possess a telephone. Lyons was soon on his way to Government House to see Sir Herbert Nicholls. He called on the Lieutenant Governor directly after Premier Lee, who had visited to advise Nicholls of Tasmania's political situation from the evening before. In a succession of visits, Nicholls conferred with the two leaders of the major parties. Sir Herbert called in Premier Lee later that morning and then, again, Joe Lyons; discussions continued into the afternoon. Ironically, Lyons was now negotiating his party's future with the office of state Governor, the office he had long argued should be abolished. From here on, much of the radicalism in Lyons' rhetoric during his years in opposition would disappear.

Around 4 pm on Wednesday 24 October, Premier Lee made

a statement that he would be announcing his resignation as premier in the House that evening. Tasmania's parliamentary chambers at the time resembled a nineteenth-century gentleman's club. The *Mercury* described the building that night as open to 'strangers' and crowded by onlookers. Lee made his speech to the small Assembly chamber, and in proceedings that lasted no more than half an hour, seven years of conservative rule came to an end. Labor, the party that had held government in Tasmania for just two years since its foundation, was ready to take charge.

In the Assembly, Lee read a letter from Sir Herbert Nicholls which outlined the political situation as the Lieutenant Governor saw it. Lee had advised Sir Herbert to call a dissolution of parliament, but Sir Herbert had declined. While Joe Lyons could assure him that Labor could command a majority, Nicholls would leave parliament to continue as it was. Wrote Nicholls, 'the matter is left in the hands of the Assembly'. Lee then read to the Assembly a long letter which he had sent to Nicholls. In it, Lee made clear that he disagreed with Nicholls' decision to let Lyons take over as premier. Lee believed the breakaway Nationalists would only support Labor until its policy was pronounced. Since Nicholls had not taken Lee's advice to call an election, Lee had no alternative but to resign. After this, Nicholls had called on Lyons to form a ministry to govern Tasmania. As the House rose that evening, Lyons was fielding questions with confidence that he could form a ministry, replying:

I have solid grounds for believing that five or six members of the House, exclusive of Mr Jensen, independent member for Bass, and my own party, may be depended on to give us supply for the requisite period, the necessary adjournment to get things in order, and reasonable consideration of our proposals when we come down with our policy.

Nicholls' faith in Lyons was an enormous compliment. This was the same Herbert Nicholls who, as Chief Justice, had enraged Joe Lyons

and his Labor colleagues in August 1918 by his sectarian speech implying disloyalty for the war effort among Tasmania's Labor-leaning Catholics. But Lyons had grown in stature and experience as leader of the opposition. His ability to consult widely had become his trademark and he was increasingly recognised as reasonable and pragmatic. The weakening of Labor as an organisation had also diminished party radicals still smarting from the debacle they had engendered at the 1922 state election. This had allowed Lyons to drop his more strident attacks on the establishment of the day. With a chance to take over the government benches once more, organised Labor had restored discipline to its ranks.

The Lyons family move to Hobart had also helped. Joe Lyons had become a more familiar figure in Hobart circles, where his delightful and practical wife added to his social presence and broadened his appeal. For the first time as leader, Lyons was a Hobart resident and a local presence in a state where northern identities could often be seen as coming from another realm. Lyons' network of contacts around Hobart had firmed and widened over years. L F Giblin immediately became Lyons' adviser when he took over as premier. With his family so close, Lyons now spent time in the capital, where he continued to impress many influential figures, not least of all Sir Herbert Nicholls, whose political views tended towards what the *Australian Dictionary of Biography* describes as 'liberal idealism'. Nicholls also believed in the need for reform of Tasmania's Legislative Council.

Joe Lyons became Premier of Tasmania on Thursday 25 October 1923. Just four days before, he had stood on the Domain during Sunday afternoon, wind blowing with gale force and his voice snatched by gusts as he railed yet again at the incompetence of the Nationalist Government and the state debt. Standing before the modest group of Labor stalwarts who attended these weekend open-air meetings, how could Lyons have guessed that within days he would occupy the office of premier and treasurer, with colleagues

Jim Belton and Allan Guy his most senior ministers?

As soon as the new government faced parliament the following Tuesday, the Nationalists supporting Lee launched a vote of no-confidence in the Lyons administration. Lee simply did not believe the Nationalist split would hold. But the motion was defeated soundly, nineteen votes to eight, with seven Nationalists supporting the Labor team. Lyons was safe, parliament wanting what Tasmanians generally craved – an end to financial malaise with a government ready to tackle systemic problems. As Labor's newspaper the *World* acknowledged in its editorials immediately following the ascension of Lyons to premier, Tasmania's financial situation had left the Labor Government with a 'herculean task'. Labor's policy of reform 'in the fullest sense' would have to be delayed as Lyons and his ministers coped with the deficit and adjusted spending and taxation over the coming year or two.

Parliament immediately voted the new government supply for the coming months. Lyons had asked for an adjournment until 22 January 1924 so his administration could take stock of the financial situation. On the first parliamentary sitting day of 1924, Lyons outlined budgetary savings and revenue collection to begin a financial comeback. Taxation would be increased on income earnings, business and landholders; death duties would rise; liquor licences would double; and stamp duty on cheques increase – all of which would raise a quarter of a million pounds and be matched by a Commonwealth payment just short of the same amount. This, the *World's* editorial of 23 January 1924 opined, would wipe out the deficit anticipated for the current year. Tasmanians, the editorial concluded, had not only a government ready to put the financial situation right, but a government ready to place the extra burden 'on the shoulders of the people who best can bear it'. All this, of course, was just a beginning.

8



Mr Premier

It would not be honest to refuse to acknowledge that Mr Lyons has done excellent work since he became Premier.

The Mercury, 29 April 1925

Lyons, now Premier and Treasurer, was just a few days back at the familiar surrounds of the government offices in Murray Street when he declared that he would put the financial crisis of his state before any Labor Party aspirations, as the *World* reported on 31 October 1923. He would be a premier for the state, not the party, a call that resounded among parliamentary colleagues on both sides. Lyons' lack of party dogmatism would stay with him from here on. This would both dog him after Labor won a majority at the state election of 1925 and colour his later decisions in federal politics. Lyons had tapped into an Australian political maxim, loosely described as pragmatism mixed with efficient management or what is often called the 'centre' position so often favoured by Australian voters.

Joe Lyons and his Labor colleagues had taken over government at a truly low point in both state finances and Commonwealth—

State relations. As if to emphasise this, 1923 recorded the fourth wettest November in Tasmania since 1842, with rains continuing into December even as mainland conditions remained very dry. Across the island, floods destroyed crops and rivers broke their banks, bringing disaster for industry and homes. In the first week of December, there were scenes of devastation when the area from Collins Street to the Victoria Dock in Hobart turned into a river.

While Tasmania flooded, Lyons was in Melbourne leading a deputation to meet with Commonwealth Treasurer Earle Page. Ill health had kept Lyons from a meeting with Nationalist MPs the Friday before his weekend departure, leaving the MPs sceptical about the proposals Lyons would take to Melbourne. But Lyons' memorandum for his discussions with a conservative federal government had been drafted carefully to avoid party differences. By the time the deputation left for the mainland, Nationalist MPs were strongly behind Lyons. True to his word, the Premier was governing for all, not just the Labor Party. This astuteness to the balance needed as a minority leader would be Lyons' strength as Tasmanian Premier over the next year and a half.

Making economies had been the operative principle for some time in Tasmania. The office of governor had been vacant for nearly two years after then-Governor Sir William Allardyce, unhappy with his low salary, retired early and moved to Newfoundland in January 1922. The House of Assembly – not just Labor MPs – believed Tasmania could no longer afford the expense of an overseas dignitary for governor. In addition, there was Tasmania's Government House, a vast estate that was costly to maintain. Shortly after the Lyons Government took office, a public works committee inquiry heard evidence from Labor Attorney-General Albert Ogilvie as to how money could be saved by moving many government departments out of rented buildings around Hobart and into offices at Parliament House. The houses of parliament could then be moved into Government House. Said Ogilvie in the *Mercury* on 6 December:

‘The ballroom would do for one House and the dining room for the other with the big drawing room between them as a common room.’ He also suggested negotiating with local authorities to trade land from the 67-acre Government House grounds for land near Cornelian Bay where workers cottages for the poor could be built. These suggestions came to nothing, but they demonstrated the severity of the state’s financial position.

In mid-November, Lyons had appointed a Tasmanian Developmental Advisory Board to address the financial crisis. The Premier would chair the board, with members including what might be termed ‘captains’ of Tasmanian industry. The initiative owed much to the report of the 1915 Royal Commission on Tasmanian Fisheries under Theodore Flynn, appointed by the Earle Government to reform the fishing industry. Professor Flynn, a noted biologist and naturalist from the University of Tasmania, was a colleague of L F Giblin and had become involved in public policy. Flynn was also the father of a very young Errol Flynn, much later known for his Hollywood movie appearances. The advisory board included Electrolytic Zinc Company general manager Henry Gepp, later an important figure in national development in the Scullin and Lyons years in Canberra. The board members were all personally well known to Lyons. Lyons, Flynn and Gepp all believed in the importance of science and technology in industrial development, along with the responsibility of the state. At one of the board’s first meetings, members discussed ‘steps to be taken to secure the advantage of the assistance and co-operation of the Imperial Government’ in developing Tasmanian resources. All stops were out to get Tasmania onto a more productive footing.

There was a general feeling in Tasmania of what historian Lloyd Robson called ‘being ignored’. There had been hope with the change of prime ministers to the more reasonable and financially savvy Prime Minister Stanley Melbourne Bruce that a process of greater consideration for states like Tasmania and Western Australia (who

believed their share of Commonwealth funding was inadequate) might begin. But on 12 June 1923, an editorial in the *Mercury* had concluded: 'Mr Bruce is far more contemptuous in his attitude to the Premiers of the States than Mr Hughes.'

The premiers' conference in June 1923 had brought widespread disappointment. Negotiations stalled on how the federal government might change the per capita payment formula for the states. The *Mercury's* editorial reported that Nationalist Premier Hayes and the Tasmanian delegation had been delayed by bad weather crossing Bass Strait and had missed a meeting of the premiers and Prime Minister. Bruce had rudely dismissed state delegates who wanted to wait for the Tasmanian Premier to arrive. The Prime Minister could not wait, he said, and had other business to attend. Humiliated, the Tasmanian delegation met with Treasury officials the following Monday. Even worse than the Tasmanians' meek acceptance of the prime ministerial rebuff, the *Mercury* believed it was also possible that Bruce would ride roughshod over Tasmanians in general and ignore their own parliament's wishes in any agreement.

Philip Hart has written that 'state revenue was so inadequate that on taking office Lyons was forced to use loan money to meet ordinary expenses and to pay off the state's deficits'. Before his December 1923 meeting with Acting Prime Minister Earle Page, Lyons met with Labor's federal leader Michael Charlton and all federal Tasmanian MPs, some of whom welcomed him on arrival. Present at his meetings were a number of former Nationalist state MPs, significantly Senator Herbert Payne (a former Tasmanian treasurer), Senator John Blythe Hayes (a former premier) and Senator Herbert Hays (who had been a member of state Cabinet). As a *Mercury* report noted, Lyons spoke very much to the point, putting the position of Tasmania in the 'plainest possible terms, but without any suggestion of political bias and with no imputation of blame to any ministry or any individual'.

Lyons brought all sides together, so much so that the Nationalists

agreed that all federal Tasmanian MPs should accompany Lyons to his meeting with Acting Prime Minister Earle Page. The united front across party lines would assist Lyons' presentation. Moreover, his memorandum drew praise from the MPs, who recognised in its thoroughness and comprehensive argument the work of Lyndhurst Giblin and his colleagues at the University of Tasmania. Giblin had made similar assessments of Tasmania's financial condition when Joe Lyons was treasurer in 1914–15. The opening lines of the memorandum recalled the House of Representatives Royal Commission's 1910 assessment of Tasmania as disadvantaged by federation.

The deputation was an initial success and a credit to Lyons' negotiating skills and conciliatory approach. He was a Labor premier confronting a conservative federal treasurer. Yet he was able to get vital concessions – albeit much less than hoped for. In 1924, Tasmania received the first of five grants of £50 000 per year. The Commonwealth also agreed to give over its tax on the Tattersall's lottery to the state government. This would equal about ten per cent of Tasmania's revenue through the 1920s, and, as reported by the *World* on 16 May 1924, Lyons was delighted to accept Tattersall's gift of £10 000 for the state's hospitals. Philip Hart, in his doctoral thesis 'J A Lyons: A Political Biography', gives a succinct summary of Lyons' early success at financial management after 1924, writing:

Taxation was reduced and more equitably imposed, loan expenditure reduced, all public service salary cuts restored, and the State's Shipping Line, established with Labor's approval in 1920 to provide transport to the mainland, was hastily sold, as it had proved an expensive liability. Although expenditure increased, the state of the economy improved, and in 1925 Lyons produced the first budgetary surplus for years.

Taking on the Upper House

The eighteen-month first term of the Lyons Labor Government saw unusual cross-party harmony. Financial malaise called for unity. Most opposition came from the Legislative Council, long-time thorn in various premiers' sides. In time, a constitutional crisis between the Lyons Government and the Legislative Council would see significant reforms of the powers of the Upper House – something Lyons and Labor had targeted for years.

In Frank Green's *A Century of Responsible Government 1856–1956*, W A (Mick) Townsley wrote that in a hundred years of representative government in Tasmania, relations between the two houses of parliament had been 'generally good'. The reason, according to Townsley, was that while 'the members are elected by entirely different franchises, they do broadly represent the same interests'. Joe Lyons and Labor in 1924 would have begged to differ. Labor believed the Legislative Council was not representative of Tasmanians, being a House elected from a monied constituency only. In 1923, Labor had not one member in the Legislative Council. Lyons had often argued for the Council's abolition.

In 1924, the Legislative Council could amend money bills. W A Townsley has explained that this was because, in the earliest years of representative government in Tasmania, the powers of the two houses had not been clearly defined and for a time the issue of where the premier or first minister would sit was still unsettled. Following a constitutional clash over the Legislative Council's power to amend money bills, Townsley wrote, 'For nearly seventy years after this the Legislative Council was to continue to amend money bills without its power being seriously challenged.' Even in 1923, the Council's power over money bills had curtailed premiers John Blythe Hayes and Walter Lee, and effectively weakened the Nationalists' ability to handle the financial crisis.

On 25 November 1924, having returned from a weekend visit

to the north to catch up with electorate and extended family matters, Joe Lyons received the Legislative Council's answer to the government's Appropriation Bill 1924–25. It had been returned to the House with amendments. The Council wanted budgetary cuts of a further £18 500 – a considerable amount at that time – and the cuts would inflict further pain on ordinary Tasmanians through public service salary reductions.

Lyons was in no mood for compromise. The finances of the state were ruinous but to cut even more deeply would hurt more than needed. Lyons judged it time to act on the Legislative Council. Labor may have been a minority government, but the Nationalists were split and party leaders were in agreement that the Council too often impeded good government. In response to the Council's amendments, Lyons asked the members of the House of Assembly to disapprove 'absolutely' the Council's request and moved

that in the opinion of this House the action of the Legislative Council in amending a Money Bill is unconstitutional and an evasion of the privileges of this House.

Lyons continued his case in a long speech, appealing to the opposition to support his motion, saying that 'however much they might differ from the Government in the matter of ideals and objectives, they would all stand together for what were big principles of representative and responsible government'. Lyons proposed to submit the Bill to Lieutenant Governor Sir Herbert Nicholls for his assent. Whether Nicholls would give his assent or submit the Bill to the imperial authorities, Lyons did not know. But he wanted the Assembly's approval to bypass the Council.

Public interest in the debate over the Appropriation Bill was intense. Many ordinary Tasmanians supported Labor's view of the Legislative Council. The public galleries filled the following day when, after debate in the House and an amendment to the words of the government's motion, the House agreed (unanimously) to refer

the Bill to a committee of the whole house. The debate over how to handle the Council's amendments was heated and Lyons was forced to go along with the committee process. But there was unanimity on all sides that the Council's power to amend money bills should be unconstitutional. The opposition wanted the government to amend the Tasmanian *Constitution Act*. In the event, all Council amendments were refuted by the committee. It was 1.30 the next morning when the Appropriation Bill was returned to the Legislative Council with a message that the House of Assembly had disagreed with its amendments. The Council immediately rejected the House of Assembly decision and returned the Bill, forcing the House of Assembly to ask for a conference between the Houses. At 11 am, representatives from each house sat down together.

In conference, the Council representatives offered some compromise on the amendments but stood firm on cuts to numerous salary items. The Assembly representatives stood firm. After the House of Assembly returned that afternoon, MHAs voted seventeen to ten to send the Bill to the Lieutenant Governor for Royal Assent. It was expected that Herbert Nicholls would refer the whole matter to the King-in-Council for a decision on the powers of the Legislative Council in regard to money bills. But the constitutional debate was only beginning.

A week after the Council had returned the Appropriation Bill to the House of Assembly with its amendments, Lieutenant Governor Herbert Nicholls gave Royal Assent to the House of Assembly's Bill being passed and it went onto the statute book unchanged. Nicholls had cabled London but the Secretary of State had replied that the Lieutenant Governor should seek the opinion of the law officers of the Crown in Tasmania. He also passed no opinion on the issue of the powers of the Upper House. Nicholls had then acted on the advice of the government to give Royal Assent.

It was all 'a gigantic bluff', the *Mercury* opined on 3 December. Its parliamentary pages then illustrated how successful Lyons

had been at getting around the Council. With headings of 'Premier Congratulated', 'Rights of the People Upheld', this conservative newspaper reported scenes of triumph in the House of Assembly after the Bill had passed. It was 'one of the most democratic things ever done in the State', independent Jens Jensen had proclaimed while congratulating Lyons and the Lieutenant Governor. Lyons was hailed as the people's premier.

However, the *Mercury* and the *Examiner*, representing their conservative base, were not satisfied that the whole process had been above-board. A full set of documents was subsequently tabled. These showed that, even before he had cabled London, Sir Herbert Nicholls had told Lyons he had little sympathy for the Council's position. Nicholls had long held views on reform of the Upper House. While the Council agreed that the Premier had taken proper steps, it castigated Nicholls for expressing an opinion before the Bill had come to him. The Secretary of State had given no opinion on the constitutional powers of the Legislative Council, and thus, by giving Royal Assent, Nicholls had ignored the advice of the elected representatives of 42 000 owners of Tasmanian real estate (the Legislative Council), an action that the Council viewed as unconstitutional.

The debate would rage until 1926, when Lyons agreed to a compromise on formalising the powers of the Upper House. If Lyons had any thoughts that the 1924 constitutional crisis may have led to abolition of Tasmania's Legislative Council, they had disappeared by 1926. Other political priorities had come into play. Lyons had contemplated taking the dispute to the Privy Council but legal opinions against this cautioned him. As well, the Legislative Council had taken its revenge after the 1925 election by knocking back a series of Labor reform bills. Lyons, ever the man of practical compromise, preferred to end the ongoing row about the Council's power over money bills.

The compromise, which became the Constitution Amendment Bill 1926 (in March) and quickly passed both houses, was largely

the product of a joint committee which worked with left-leaning Labor Attorney-General Albert Ogilvie. Townsley gives most of the credit for the Bill to MHA Frank Edwards for his work with parliamentary draftsman H B White and for convincing Ogilvie to concede more than Ogilvie realised. The compromise allowed the Legislative Council to request amendments to money bills but not make amendments. The Council, however, could veto money bills. Neither house was the winner at the end. But in November 1924 when he needed to overcome the power of the Upper House, Lyons had ridden over the Council. And in early 1925 he successfully requested that the new Tasmanian Governor, Sir James O'Grady, give Royal Assent in the face of Legislative Council intransigence to the Land and Income Taxation Bill (No. 2).

It was usual for a refusal or amendment by the Upper House of a money bill to be likely to trigger an election. This did not happen in October 1924 or early 1925. Joe Lyons outplayed the conservative Legislative Council in a unique way. This allowed him to govern deftly without a House majority until the 1925 state election. As Kate Murphy has argued in 'The Lyons Government, the Legislative Council and the "One House Bill"', Lyons had begun a revolution. In 1924, Lyons had got what he wanted at a time of crisis and managed, with the involvement of the Lieutenant Governor, to push through legislation vital to his government program. Lyons may have been a conciliator, but he could play hard when needed.

Going to the people

In its small and parochial setting, Tasmanian politics reflected many complexities. While the mainstream press continued to be anti-Labor, there were often glimmers of practical and positive common sense in its assessment of Joe Lyons. As the *World* noted in its editorial of Friday 2 November 1923, 'Mr Lyons, the Labor Premier, seems to have secured the approval of the Tory press at last.' One

article in the *Mercury*, said the *World*, ‘had more to say of the laudatory character of Mr Lyons’ than all the others written about Walter Lee over seven years. But such bouquets were scarce and Tasmania continued to be a very conservative place politically, with strong feelings about loyalty to Britain and the royal family. The Protestant ascendancy lived well in Tasmania. The political tribes might be sharply divided from background and culture, but the close-knit and isolated Tasmanian social scene required sensitivity to local prejudice. Lyons had cautiously charted his way in this, resisting unfairness from the top brass during his early teaching appointments and taking a stand against sectarianism after the war while never allowing his background to prejudice his personal associations.

Lyons fitted well into the social life of parliament, where differing parties squared off in the House while maintaining generally good relations in the corridors. In the first week of November 1924, following the excited scenes in parliament over the Legislative Council’s amendments, Albert Ogilvie hosted supper in the parliamentary dining room. Gathered together were members from all parties in the House as well as members of the press, including Leo Broinowski, assistant editor of the *Mercury*. Albert Ogilvie spoke during the toasts of ‘the friendly feelings that always existed between members whatever their political beliefs’. His remarks were ‘supplemented in humourous vein’ by Nationalist Charles Grant and Country Party MP Ernest Blyth. The worst of Tasmania’s snobbery when it manifested itself was to be found among the hangers-on at Government House, where, as historian Lloyd Robson has recorded, landed gentry could exert their ‘breeding’ against outsiders, in spite of these families being only a couple of generations old, with some having descended from criminals. Premier Walter Lee’s wife had been cut dead by two squatter wives at Government House on one occasion, leading the Governor to inform London that the women’s behaviour had been out of order. As Robson put it, ‘Tasmania remained full of cliques.’

Taking on the premiership had meant yet more upheaval for the large Lyons family and Lyons' personal life. After their move south at the end of 1922, Joe and Enid Lyons had settled into Hobart smoothly, in spite of having to relocate so many young children and a new baby born around the time of their move. Enid Lyons wrote of their first year in Hobart as one of contentment in family life, with Joe occupied in not only his political work but also his studies for the law. Enid had found a lively community around the Sacred Heart Catholic church in New Town. Between school for the older children and their church commitments, from singing in the choir to helping raise funds for the parish, Enid was in her element. They could not have foreseen the sudden change coming in their lives, although Lyons must have realised the government was fracturing from August 1923.

Looking back on Joe's sudden elevation to the top job in Hobart, Enid wrote in her memoirs of how Joe had first discussed with her the sudden offer from the Lieutenant Governor, in October 1923, to take the reins of government. Some have written of how this indicated Enid's strong influence over Lyons, as if she were a Lady Macbeth figure. This was hardly so – especially in this instance. To consult his wife first would be natural for any politician. And where so many small individuals were to be affected, even more so. But once the offer had been made, Joe Lyons knew he could not decline. Over seven years, this had been his ambition and also that of Enid Lyons for him. As the reports of the atmosphere at Parliament House describe the eve of Lyons taking office, he was full of a new confidence and authority. He was in his element. Enid was 26 when Joe became Premier. He was 44.

As leaders of social democrat political parties have found over decades, there is nothing more moderating of ideological views than the opportunity to take the reins of government. This is especially so in Australia. Grappling with the state debt and financial crisis was Lyons' first priority. He made headway in his first year with

Commonwealth help and strict economies. By the end of 1924 there were still many problems to face, not least of all how to revive and develop Tasmanian industry. But the burgeoning debt was under control, albeit with interest repayments still a burden.

Labor still governed with only twelve seats in a house of 30 members when, on 28 March 1925, the government announced that a state election would be held on Wednesday 3 June. As premier, Lyons was also governing with a mind to winning a Labor majority at that election. And his change in approach to the office of the Tasmanian Governor said a lot about how far he would go to get there.

The office of Governor of Tasmania had been in the care of Lieutenant Governor Sir Herbert Nicholls since January 1922. During former Governor Allardyce's term, the office of Tasmanian governor had come under a cloud. In September 1920, Labor lost a motion on the vote of the Speaker to have the office abolished. When the Governor, in November 1921, notified the Premier he would retire early, the House of Assembly had voted to abolish the office of governor, only to have the Legislative Council overturn this decision. It was not until January 1925 that a new governor arrived in Tasmania. Undoubtedly to appease conservatives, Lyons had chosen yet another Britisher for the vice-regal appointment. But his choice of Sir James O'Grady was also a radical one. Born to Irish parents in Bristol, O'Grady was a Labour activist, former Member of the House of Commons and former president of the British Trades Union Congress. He was also a Catholic with ten children.

At a Hobart businessmen's welcome to Sir James on 13 January, the *Mercury* reported Lyons saying he hoped any small section of Labor that 'hesitated to give its adherence to the Empire' would not grow. Sir James O'Grady, he continued, showed that a Labour man could be 'true to the Empire, and true to the King'. Lyons also believed O'Grady's appointment would 'wipe out a lot of prejudice and misunderstanding'. The Premier felt relaxed enough to amuse

Hobart's business establishment by saying that the King may have taken a 'serious risk in appointing a man who belonged to his [the Premier's] political party'. Lyons' welcome to the Governor drew warm applause, 'For He's a Jolly Good Fellow' and three cheers.

In hindsight, and with the perspective of nearly a century, what Lyons was doing was carefully smoothing his government's image ahead of the state election. In a world not noted for media presentations or political spin, Lyons was ahead of the pack. And he needed all the positives a premier could muster in a state that still saw itself hostage to its geography and mainland indifference.

As Lyons welcomed the state's new governor, Tasmania was facing a crisis brought on by a national shipping strike. On 14 January 1925, the Launceston *Examiner* editorialised on Tasmania's 'ten days of isolation' and how the strike had stranded 800 tourists who had visited Tasmania for Christmas. They managed to return only by being transferred at sea to a rescue ship, the *Hobson Bay*. Tasmania's crops and products were at risk without sea transport and the Commonwealth *Navigation Act 1912* and Arbitration Court were the targets. On 3 February, the *Mercury* reported that Lyons had been assured by Prime Minister Bruce, during discussions at the premiers' conference in Melbourne, that Bruce would consider proposals from Tasmania about the state's disability under the terms of federation. Moves were already afoot among conservative Tasmanians to form a new party focused on Tasmania's federal disadvantage. The Town and Country Party did not survive long, but the formation of a Tasmanian Rights League, as reported in the *Mercury* on 6 April, did rally conservative political forces around the ongoing problems for Tasmania as part of the Commonwealth. On 6 May, as the election campaign began, the *Examiner's* 'Campaign Notes' described the Labor Government as facing 'the most complex Opposition in the history of the state'.

The Labor Party opened its campaign on 28 April at Deloraine. It was the day of Joe and Enid's tenth wedding anniversary, but, as

in so much of the Lyons story, politics rather than romantic celebrations took centre stage. Enid was recovering from a long bout of tonsillitis that had confined her to bed and the Lyons children would see little of their father as he moved from town to town thereafter – to Perth, Westbury, Ross and Campbell Town in successive daily stops in just the first half week following his Deloraine speech.

Managing the role of premier and treasurer with a minority government had taken its toll on Lyons. It wasn't until 17 January that Tasmania had found volunteers to crew the *Nairana* and other vessels vital to its transport needs for industry. Lyons' health had weakened during the crisis and worsened after a ten-day visit to the mainland with Albert Ogilvie in late March to discuss Tasmania's disabilities with businessmen and the federal Labor Party in Melbourne. Soon after he arrived home from the Melbourne trip, Joe and Enid left their children in the care of Tom and Mavis Lyons over Easter and travelled north to holiday with Enid's cousins in Billinudgel, New South Wales. The break revived Lyons' health and by 11 April he was back at his job declaring himself fit and well and ready to fight the state election.

The election would involve the extended Lyons–Burnell family in unique ways. This was the first Tasmanian election where women were eligible to stand for the Tasmanian parliament. But the Labor Party had found it hard to get its women to nominate. With the party's cause at heart, Enid Lyons and her mother, Eliza Burnell, put their names forward – Enid for Denison and Eliza for Darwin. Enid Lyons, it was hoped, would draw women's votes away from an independent candidate, Edith Waterworth, who had stood for the federal election in 1922 and become something of a notoriety with the media. In the 1925 state election, however, Enid Lyons managed to gain more than twice Waterworth's votes and was so successful at her rallies she also nearly won a seat.

The Lyons Government had succeeded in restoring stable government and hope that Tasmania could recover. But the eco-

conomic story across the state was uneven, with many areas of acute unemployment. In late March, Electrolytic Zinc Company general manager and member of the Tasmanian Development Board Henry Gepp returned from a year's trip abroad with his family, telling the *Mercury* he had seen a world of investment opportunities at the Wembley Exhibition and in London. He recommended that Tasmania's 'young men' from both public and private industry be sent abroad for visits to expand Tasmania's horizons. It was a positive message but little new investment in Tasmanian flowed from Gepp's world trip. Meanwhile, at the Anglican Diocesan Synod meeting around the same time, Anglican Bishop Snowdon Hay drew attention to the 'serious matter of the unemployed in the community' and announced collections at churches for the unemployed. The *Mercury* reported on 8 May that Enid Lyons wanted a depot established to store the donations of clothing she had received. When reports came in mid April of a revival of the Imperial Migration Scheme – to make available a £30 million loan to Australia (the Commonwealth), at one per cent interest in the first five years for development of resources and resettlement of migrants from Britain – Lyons loudly welcomed it. Tasmania, he said, would be in a position to take full advantage of 'the big scheme'.

At Labor's election campaign opening at Deloraine, Lyons made a speech to go into the annals of Labor politics. Lyons spoke as a Tasmanian Premier rather than a Labor official. In doing so, he generated the term 'deloraining' to explain how a Labor premier could walk away from party policy in government if it suited him. When criticised for not pursuing aspects of Labor's social platform in his second term, Lyons would argue that he had not promised this in his campaign opening speech setting out his government's second-term policy. What Labor members had accepted in the campaign, they should expect from his government. It was a deft move while it lasted.

Lyons' speech outlined his record and promise to electors and

shied away from the tenets of Labor's social reform program. He belittled his predecessors for the dysfunction of the Lee-Hayes term of government, lambasting the Nationalists for having just one surplus in nearly eight years of government when Labor had left them a healthy surplus in 1916. He outlined plans to seek a better deal from the Commonwealth Government and was able to demonstrate that the Bruce-Page Government had taken notice of his government's systematic negotiations where it had ignored the Hayes Government's ineffectual letters of request or complaint. As he spoke, the Premier was frequently applauded. Such was the moderation of what Lyons argued, the conservative *Examiner* editorialised that he had not offered Labor Party policy, which it said was 'made by periodical conferences'. This was a reference to policies developed at Labor Party conferences, such as giving preference to unionists in government employment, and the 44-hour week. Lyons had consulted with the Labor candidates rather than the Labor executive and said that the policy he had outlined was the policy he would carry out as premier. The *Examiner*, sensing Lyons was on a winning theme, objected to a Labor premier promising to attract business capital to the state. Labor, it said, was against capital. But Lyons would defy both conservative broadsheets and the Labor executive.

Labor had emerged from the first decade of international communism with the tag 'socialist'. As the conservative parties realigned at the 1925 election, Tasmanian newspapers simply listed non-Labor candidates as 'anti-socialist' candidates. Ted Theodore, who had stood down as Queensland Labor premier to contest the federal seat of Herbert in the coming (November 1925) federal election, made a brief trip to northern Tasmania to support Lyons in the campaign. On 22 and 23 March, at Devonport and Burnie, Theodore gave two addresses, then returned to the mainland. In his speeches, he attacked the conservative press and many in the community who misrepresented Labor as a party like the socialists

of Soviet Russia. Theodore, with business interests and a pragmatic view of economics much like Lyons, was one of Labor's new voices who, rather than merely follow the dictates of the party machine, was capable of governing in practical ways to overturn inequalities – what Theodore called ending 'times of great power in the hands of a limited number'.

This pragmatism, found in both Lyons and Theodore, had more in common with Labor figures half a century later. Burnie's *Advocate* sensed Lyons' executive style at the outset of the campaign in what was viewed as a very favourable electoral atmosphere for his government. On 9 May it editorialised that 'in the opinion of many, Mr Lyons would prefer to be in office under the conditions which have prevailed during the past 18 months than to be actually in power with a Labor majority'. This moderation of the more extreme Labor platform, matched with Lyons' conciliatory style and managerial skills, was enough to assure many voters that Labor could govern for all. As the conservatives worked to realign and rename their movement, they seemed more a fledgling group not ready for government. Labor under Lyons was a united and practical voice, winning concessions from the Commonwealth for Tasmania. The Lyons Government was returned to office on 3 June with a clear majority. Labor had won four seats in Denison and sixteen seats overall. The Nationalists had retained seven, the Liberals four, and there were three independents. The Country Party had collapsed in 1924 and its members had joined the Nationalists. Joe Lyons could now govern in his own right, but was set for a very different second term.

9



The worm turns

... [politics] was breakfast, dinner and tea for us
before we were old enough to know anything.

*Sheila Lacey (nee Lyons) interview, the Mercury,
18 March 1990*

Public life closes off a lot of the personal. This was particularly so in the life of Joe and Enid Lyons. The public knew them as parents of a large family, and knew that Enid Lyons was also politically involved with Labor politics and was a charming, unpretentious but quick-witted woman who could be seen travelling on public transport around Hobart and its suburbs on her way to functions in her role as premier's wife. Government austerity did not allow the premier the use of a car. Joe and Enid Lyons were well known among their neighbours and church community. But, aside from these personal and professional connections, and unlike Australia of nearly a century later, media reports in 1920s Australia did not intrude into the personal lives of public figures unless invited there by public scandal. In the eighteen months following the Labor triumph in the 1925 state election, Joe and Enid Lyons would face personal tragedy

on at least two significant occasions, and, without it significantly penetrating the press, this would impact on Lyons' time as premier.

Lyons was undoubtedly one of Tasmania's great premiers. He governed through economically difficult times, yet raised confidence even if he was unable to overcome the larger and more pressing problems of a state where growth was slow. Looking back on his years as premier from Canberra much later, Lyons summarised his record as he saw it. He had gained from Prime Minister Bruce substantially increased Commonwealth grants for Tasmania, and extra Commonwealth funding from NSW petrol taxes for a large Tasmanian road grant. He had taken over the state's Tattersall's lottery taxation, which for Tasmania was a vast sum; and he was able to reduce taxation significantly. Tasmania's population had stabilised under his administration, and the Budget had gone into surplus. It was a proud record. But Tasmania would need many years of surplus to reverse its population drain and see significant change in a state inured to stagnation. It was not enough to win the 1928 election.

Joe and Enid Lyons produced their third son and seventh child on 8 October 1924, giving him the rather imposing names of Garnet Philip Burnell Lyons. Garnet Lyons was the first son ever born to a Tasmanian premier in office and his birth was acknowledged accordingly. Lyons' Cabinet colleagues presented him with what Enid Lyons described as 'a miniature silver cradle, exquisitely wrought, mounted on a blackwood base'. It was inscribed with words from nineteenth-century English poet George Meredith:

Keep the young generation in Hael
And bequeath them no tumbled houses.

Little Garnet Lyons would live just ten months, even as his father toiled to set right Tasmania's future. Just two months after the state election, in the first week of August, Garnet Lyons came down with pneumonia, which developed into meningitis. Within two days he had died. It was a bitterly cold winter in Hobart and all the Lyons

family had contracted illnesses – from measles, chicken pox and whooping cough to mumps. They had all withstood it, including both Lyons parents on the campaign trail for a state election, managing with a full-time live-in nanny and a nurse who came daily. But on 5 August 1925, as Hobart welcomed a visit from the US fleet into the docks on the Derwent, the press noted that Lyons had been absent from the official party. In fact, he was at home, watching little Garnet die. When the US fleet sailed away that Friday, Joe and Enid were burying their baby boy at the beautiful Cornelian Bay cemetery. The wrench was devastating for both of them, yet political life barely skipped a beat around them.

Whether it was to distract Enid from her sorrow or simply to keep her near, Lyons took Enid with him the following Wednesday as he left for a tour of the north and west where he was to talk up the benefits of electricity use and the shale oil industry. He made a strong speech on the eve of his departure on the prospects for Tasmania from both these industries. Lyons had won a solid victory at the polls that year but more for the hope he inspired than for any great turnaround in the Tasmanian economy to that point. There was still the need for serious reform and investment ahead.

Little Garnet's death, however, changed Enid's feelings about the house she owned and her life in Hobart. By 1927, as she recorded in her memoir *So We Take Comfort*, Enid was longing to move back to the north to be nearer her mother and sisters. Inevitably, this would impact on Lyons' own energy as premier. Within months of Garnet's death, the family had moved to a larger, rented home at 115 Main Road, New Town, leasing out their house in Pedder Street. For an easier domestic life, Joe bought the family an electric stove, as Enid recalled in her memoirs. She was pregnant again but soon suffered a nasty miscarriage and had to carry the dead fetus for three months before the doctor agreed to remove it. For all this, on the surface, Lyons family life continued to keep pace with the demands of government.

Richard Davis, in *Eighty Years Labor*, has described how Lyons tactically outplayed the left of the Tasmanian Labor machine though 1926 and 1927. His supporters were able to dominate state conferences. Meanwhile, Tasmanian Labor's poor showing at the November 1925 federal election, the first federal election with compulsory voting, cautioned against any hubris that might have come from the June 1925 state election win. Albert Ogilvie, the active and ambitious Attorney-General of the first term, had challenged Allan Guy for the deputy leadership immediately after the state election. While Lyons was able to rally the numbers for his friend and close ally Guy, Ogilvie was now clearly a rival.

Albert Ogilvie was up-and-coming premier material among the Labor team, regarded as having stitched up the deal with the Legislative Council over money bills in early 1925. He had accompanied Lyons on the premier's ten-day visit to the mainland in March, and on their return Lyons had announced that he would set up a committee to prepare Tasmania's case for its Commonwealth grants to be adjusted in the light of its disadvantage under federation. The committee would be chaired by former premier Elliott (Neil) Lewis. Included among its six members were economists Lyndhurst Giblin and Jim Brigden. The 'case' the committee prepared was presented to the Tasmanian Government on 30 September that year. In its comprehensive and detailed analysis of Tasmania's economic position, the report uniquely outlined not only the state's economic handicaps but also many of the weaknesses of Australia's economy overall.

The *Report of the Committee Appointed to Inquire into Tasmanian Disabilities Under Federation* argued that Tasmania's disadvantaged position in the federation had come about because three federal activities adversely affected Tasmania's ability to prosper. These were the *Navigation Act 1912*, the Federal Court of Arbitration and the protective tariff coupled with interstate free trade. In other words, government regulation acted against profitable commerce in Tasmania.

The report demonstrated how Tasmania's dependence on sea transport meant that it was adversely affected by 'protection afforded to seamen and wharf labourers under the Navigation and Arbitration Acts'. The rise in freight costs had also 'put a severe handicap on Tasmanian trade'. The Federal Court of Arbitration, the report argued, ignored 'the special conditions of Tasmanian industry and differences in capacity to pay wages'. And the report targeted the 1907 Harvester Judgment for applying a standard of wages 'based upon the wages being paid and the supposed cost of living in Melbourne in 1907, with an addition of 3s [shillings] per week given upon a false supposition that prices would continue to increase as they had increased during the war'. The report also condemned the inflexibility of the arbitration and wages system for undermining any possibility for Tasmanian industry to prosper. In addition, protection had made machinery and equipment too costly for struggling industries in Tasmania. Using statistics for all states, the report further demonstrated that Tasmanians suffered under the rates of taxation and the cost of government. With the report, Lyons hoped to make further impact on the Bruce Government.

By early 1926, Albert Ogilvie had co-authored (with Tasman Shields) *The Case for Tasmania*, which flowed on from the earlier Lewis Report. This was presented to Sir Nicholas Lockyer, who had been appointed by the Commonwealth to inquire into Tasmania's disabilities. Lockyer's own report, in May, was described by the *Examiner* as 'packed with commonsense' and by the *Mercury* as 'hopelessly futile', but in general there was agreement that Tasmania needed consideration. As Lyons returned from the premiers' conference in Melbourne on 4 July 1926, he told the *Examiner* that he would be holding meetings in Hobart and Launceston in the near future to argue his case against the proposal of the Commonwealth to scrap per capita grants. He was enthused by the support of other premiers against the move, and was in no doubt the change

would mean the need for increased states taxes and high taxation over many years.

In this frame of mind, on 15 July, Lyons left Hobart by car for an extensive tour of the north and east accompanied by Speaker of the House Mick O'Keefe and Harry Curtis, General Manager of the Hydro-Electric Department. It was a tour in connection with a proposal to extend the hydro-electric scheme to the mining areas. Lyons would also be talking up his case against the Commonwealth proposals. Their driver was a Mr Fulton, a clerk in the Department.

In the dark, at around 7 pm, the car carrying Lyons and his companions hit a goods train on the narrow highway near Perth, nineteen kilometres from Launceston. All the occupants were thrown from the car, an open roadster, and received severe injuries. In the immediate aftermath, newspapers reported that Joe Lyons and Mick O'Keefe were making a good recovery, but this was a sad misreading of the facts. Mick O'Keefe would die of his injuries on 2 October, while Joe Lyons would be away from his public duties for four months. Allan Guy, Chief Secretary and long-time friend of Lyons, stood in as Acting Premier as he recovered.

Lyons had suffered injuries to his leg. The marrow of his bone had contacted the gravel of the road, and for three days he hovered near death as doctors worked to prevent the poisoning of his system. Enid Lyons gives a full account of the accident and Lyons' recovery in *So We Take Comfort*, describing the turmoil of family life as she made arrangements for their children's care in her absence over weeks and relocated to Launceston with two of her younger daughters to sit by Joe's bed each day in St Margaret's Hospital. Lyons returned to Hobart with Enid weeks later in a hospital bed set up in a railway goods truck. During her husband's convalescence, Enid engaged a retired British army officer to give Joe regular physiotherapy. He needed to learn how to walk again and would carry a walking stick from that time on.

Over the year that followed, the strain of family life, its

tragedies and the ongoing round of public engagements began to affect Enid Lyons. Her recollections, in particular of one public appearance in 1927, suggest she was suffering from bouts of depression and anxiety attacks. Joe Lyons had returned to his job as premier reliant on a walking stick and was soon given a car by local businessmen who believed the Premier deserved better transport. But even this support and a state visit in April 1927 by the Duke and Duchess of York (during which the royal couple opened Parliament House in Canberra), with all its excitement and extravagant celebrations, were not enough to convince Enid Lyons that her life in Hobart could be sustained much longer. 'Invitations can be refused,' she wrote in her memoirs, 'but to refuse is often as emotionally trying as to accept and keep the engagement.' In June, as Joe Lyons announced a substantial state surplus, Enid gave birth to Brendan, her eighth child – a baby to fill the gap from losing Garnet. With Enid's homesickness now acute, the Lyons couple began looking to buy again in Devonport. By chance, they had discovered that Home Hill's owners, Eveline and Carl Jensen, wanted to locate to Hobart. When offered a swap, the Jensens were happy to take Pedder Street. In August, the Lyons couple handed over their house in Pedder Street in exchange for their old home on the orchard in Devonport. The deeds of sale show that, once again, Home Hill was placed in Enid's name.

Paying the piper

The Lyons family moved back to Devonport in late 1927, Enid rejoicing in their move. Around this time, and somewhat delaying the family move, a scandal broke involving Labor Attorney-General Albert Ogilvie. An opposition MP had accused Ogilvie of improper use of his responsibility for the Public Trust Office. Lyons was forced to call a Royal Commission during which Ogilvie's business partner, T A Okines, gave evidence and then committed suicide. Ogilvie was

found guilty of inefficiency but not corruption. Even so, Lyons felt he must ask Ogilvie to resign. The rift this now opened up between Lyons and Ogilvie sapped energies leading up to the state election, which would be held in May 1928.

An article in Labor's *Voice* on 24 October 1931 recalled a meeting in June 1926 at the Hobart Trades Hall Council where members had confronted Premier Lyons over his failure to deliver Labor policy such as the 44-hour week and government employment preference for unionists. In response, Lyons had told them he would endeavour to complete the program outlined in his campaign speech at Deloraine, after which he would call an early election and 'go to the country for the particular planks they desired to stress'. For this Lyons was cheered, but it never happened.

Lyons' attempts to legislate mild changes to industrial legislation such as workers compensation and the establishment of a State Arbitration Court were blocked by the Legislative Council. It is hard to say whether Lyons was unwilling to push further Labor Party policy because he felt obliged to stay with his policy promises at Deloraine, as Philip Hart has argued, or because he knew such a move was futile with an intransigent Legislative Council, and to do so risked alienating swinging voters. More than likely, the consensus politician in Lyons and the pragmatic political instincts he relied on ensured he took a middle course. But as Lyons played more and more to the middle, the conservatives were regrouping under the able parliamentarian John McPhee, whom John Reynolds has described in Frank Green's *A Century of Responsible Government, 1856–1956* as very like Joe Lyons in manner – 'the quiet schoolmaster instructing the class'.

By the time of the Ogilvie crisis, a number of elements were wearing away at the stable and unified government Lyons had offered Tasmania over four years. On a personal level, Enid was in the throes of packing up the family home and returning to the north. This would leave Joe leading a solitary existence in Hobart dividing his personal time between there and Devonport yet again.

And while Lyons was a master at handling the complexities of conciliating differing positions and personalities, Enid Lyons recorded in her National Library interview that having to ask Albert Ogilvie to step down from the ministry caused her husband ‘tremendous grief’. She blamed Ogilvie’s hostile feelings towards Lyons for years after as originating from this moment. The *Mercury* had no time for Ogilvie, believing him to be a true Labor radical waiting to succeed Lyons, and it waged a constant campaign to this effect. Within Labor also, as Lloyd Robson argued in *A History of Tasmania*, there were more divisions, especially between Ogilvie and Lyons’ colleague and friend James Belton, whom Ogilvie undermined on occasion.

Meanwhile, the union arm of Tasmanian Labor at the Tasmanian Trades Hall continued to agitate about the lack of legislation for industrial reform. Lyons knew industrial reform legislation would be rejected by the Upper House and therefore efforts to enact it would be futile. As premier, he also had come to understand that moves such as instituting a 44-hour week would raise costs for government and business and be a further impediment to Tasmanian growth and business development. In the sluggish economic environment his years as premier had endured, Lyons had been forced to the role of continual salesman, talking up the use of electricity to councils at every stop across Tasmania. Enid Lyons related in *So We Take Comfort* that even as the family drove to Devonport en route to their new home, she and Joe stopped at Westbury ‘to address the townspeople on the virtues of electric power’.

Ironically, it was Lyons’ evenhandedness and moderation, traits that made him so successful as manager and premier, which began to eat away at any edge he had against his conservative opponents. On 11 February 1928, the conservative *Mercury* complimented Lyons on being ‘controlled by greater considerations than any of party’. As Michael Denholm has argued in ‘The Lyons Tasmanian Labor Government 1923–1928’, from media reports of the time it could be said that Lyons ‘impressed his personality on both Houses

of Parliament and was able, because of his honesty and purpose, to get the concurrence of both Houses of Parliament on measures which otherwise would have been extremely doubtful'. Lyons made generous comments about his opponent John McPhee during the 1928 campaign which enhanced McPhee's standing – comments such as that reported in the *Mercury* on 8 May, where Lyons admitted to 'the finest personal feeling' for his opponents, particularly for McPhee. Lyons had also publicly thanked McPhee for helping in the development of Tasmania. Looking on, many Labor stalwarts might have imagined that Lyons had deserted the Labor cause to shake hands with his opponents. At the same time, unemployment was on the rise again as the effects of decades of borrowing and a highly regulated arbitration system in all states continued to slug the Australian economy. The 1928 Tasmanian election saw compulsory voting become law for the first time at Tasmanian state elections, an electoral change that had begun in Queensland in 1915 and been adopted by the Commonwealth in 1925.

The Lyons Government lost the 30 May 1928 election. Labor gained more than a thousand additional primary votes overall but won only fourteen seats. Even Ogilvie's huge vote in Franklin was not enough, under the Hare-Clark system, to help Labor win a third seat there, and in Denison the Labor vote was disrupted by an industrial Labor candidate. Lyons was offered the chance to form a government with the support of Benjamin Pearsall, an Independent in Franklin, but he chose not to. He preferred to go back into opposition rather than face the task of building anew as premier. Ogilvie's resounding personal win in Franklin, in spite of the cloud that hung over his reputation, reminded the party that many were impatient for a more radical stand from Labor. Lyons was happier to offer his support to the new conservative government than face party divisions as a weakened premier. On 16 June, the *Mercury* reported that Lyons had pledged his 'utmost support' to McPhee, while McPhee described Lyons as an 'outstanding statesman' and, in his gratitude

to Lyons, revealed that Lyons had involved him in many discussions about the state's problems while opposition leader. The rapport between Lyons and McPhee seemed to be more like the relationship of colleagues than opponents. Lyons had moved well beyond simply being a Labor leader to something akin to chairman of the board managing the state. But this very unique Lyons style did not, at this point, serve him well in a Westminster system of politics, whatever it might have achieved in the best interests of the state.

That federal dream

Lyons remained leader of the Tasmanian Labor Party, now back in opposition. He had, as the left-leaning Labour *Voice* on 17 October 1931 complained, become a hero within the party after its historic 1925 win at the polls, thereafter worshipped by 'deluded workers' for 'long years'. Certainly Lyons had the respect and admiration from the ranks to hold on to his position as leader. Now he seemed content to pull back and rest a little on his laurels. Enid Lyons wrote of the year that followed as one of domestic contentment and titled her chapter describing that time in *So We Take Comfort* as 'The Golden Year'. From Enid Lyons' account, this was the first time in their married lives, apart from a few months at Pedder Street during 1923 before Lyons became Premier, when the Lyons family lived with uninterrupted normal family routines.

Safe as leader, Lyons eased off his travel outside parliamentary sittings. He opened what Enid Lyons termed 'a small agency business in the town' to supplement his MP salary. Brendan Lyons, in *They Loved Him to Death*, adds that it was a partnership with local man and family friend Harry Lane and an outlet for Rapson Tyres and Black & White Whisky. On 30 July 1928, Enid gave birth to her ninth child, a boy they named Barry. In time, Barry was found to have achondroplasia (dwarfism), a condition Joe and Enid would spend years trying to find a cure for with various medical special-

ists and without success. Over the decades, however, as part of the Lyons brood and beyond, Barry walked tall and achieved mightily.

When Lyons departed his position as premier, he rained praise on Enid as his wise and most important confidant. He told the press, 'Her brilliant intellect, combined with the natural sagacity of her sex, have helped me to elucidate many of the problems with which the state has been confronted. Many decisions which have come from me have come only after consultation with her.' The words were from the heart and true in many respects, but they left a legacy that has undermined Lyons' image for decades. This was the image of a weak man controlled by a strong woman. But Lyons was as ambitious as any political leader. In Enid, however, he had found the perfect partner for his ambitions and in conscience he could not ignore the contribution she had made. Lyons' open acceptance of his wife's role in his public life, and his publicly acclaimed admiration for her, was not only indicative of his generous and unthreatened nature, it was also years ahead of its time. They were indeed a power couple, to use a more contemporary term. Moreover, there is every reason to believe Lyons was already thinking ahead to a chance at a federal seat.

Stepping back a little, as he did from late 1928 through 1929, gave Lyons the space he needed to assess his professional life. In 1928, the fact that he had a large family gave him little choice but to continue as Tasmanian Labor leader. His studies for the law, abandoned when he became Premier suddenly in 1923, had now been too long given away to restart. A federal election loomed in late 1928 and Lyons might well have considered standing again for Wilmot. He did not. Caucus minutes for 13 September 1928 show that federal Labor leader Jim Scullin 'made a statement regarding the candidature of Messrs Lyons & Guy not being available for the forthcoming elections'. Scullin had obviously asked them to stand – as he would again, this time successfully, in 1929. But, in 1928, Lyons and Labor had just lost a state election. The Nationalists

were in a honeymoon stage. And the rules for candidates had changed so that there was no longer the option for Lyons to retain his Tasmanian electorate, much less the party leadership, if he lost at the federal election. Albert Ogilvie's determination to become state leader did not encourage confidence either.

There were also more pressing personal considerations for Lyons in late 1928. His domestic life was not conducive to the long and distant separations from his family that a move to Canberra would have then entailed. In 1919, when Lyons had tried to win the federal seat of Wilmot, the federal parliament was in Melbourne. This would have meant a ferry journey overnight to the seat of government from a northern Tasmanian port in easy distance of Lyons' home. The travel time was much the same as that spent travelling to Hobart from Devonport. But the trip to Canberra in those days was far more gruelling: the ferry overnight to Melbourne, then a 700-kilometre train ride to Goulburn followed by another 100-kilometre train ride to Canberra. And all this with changes and connections, and waiting times in between.

In 1919, Lyons had been the father of only three small children, and still relatively young at forty. Then, when Tasmanian Labor appeared to be going backwards at the polls amid radical turmoil within its ranks, and with a bare two years experience in government behind it, the move to go federal had seemed very reasonable to Lyons. He also risked little by doing so, as he could return to the Labor leadership if he lost the election. Nearly a decade later, with eight children to provide for, Lyons had lived the pinnacle of the premiership. And while the temptations were still there for a federal seat, trading a leader's position for that of federal backbencher with onerous travel and separations from his family was not an attractive proposition. There is also every indication in Enid Lyons' memoirs that his years as premier, coupled with the loss of their baby and Lyons' car accident, had worn them both out physically and mentally.

Enid Lyons had left Hobart because of her deteriorating health.

In *So We Take Comfort*, she describes the enjoyment of settling back into Devonport, but also writes of her body being full of arthritic pains and needing hours in the sunshine with fresh air and a lot of exercise as she recovered. Her depression lifted, but slowly. And Joe was still on the mend following his accident. Then Barry was born and diagnosed as a special needs child just as they were starting to enjoy the leisurely and private routines of simple family life. This was a moment in time when both Lyons parents saw the need to look inward to the children and their relationship. It became their priority in that year after the 1928 election. The political road map had taken a toll on family life. The reckoning, however, would not last all that long. A federal move was still on Lyons' mind.

A letter Joe Lyons wrote to Ted Theodore on 6 December 1924 while Premier of Tasmania, is still tucked away in Joe Lyons' papers and in Folder 2 of the correspondence files among Ted Theodore's papers in the Australian National Library. This letter is a telling insight into Lyons' mindset regarding federal politics and his ongoing career. It reveals that even as premier, in late 1924, Lyons continued to harbour thoughts of going into federal politics. John Earle and Jim Ogden had moved from state politics to the Senate, and as the federal parliament developed, it was an alternative for many state politicians. In 1924, Lyons led a minority government in Tasmania. He could not be sure of the outcome of the 1925 state election. A federal election was due to be held in late 1925, a few months after the Tasmanian election, and a year out, Lyons was already considering his options should he lose as premier.

Lyons had strong party connections on the mainland. His trips across Bass Strait while Labor leader and premier allowed him opportunities to keep in touch with Labor's federal executive and federal MPs. He had used their influence in his negotiations with Prime Minister Bruce over an increase in Commonwealth funding for Tasmania. Lyons' letter to Theodore in December 1924 was principally to assure Theodore that Lyons had not opposed Theodore's

appointment to conduct Labor's inquiry into the NSW ballot box matter involving the AWU – a decision of the ALP Interstate Conference in Melbourne that September. By then, Theodore had been preselected for the federal seat of Herbert and would resign as Queensland Premier the following February to stand at the 1925 federal election. Lyons concluded his letter by wishing Theodore well in Herbert and added, 'It may be that I shall myself have a tilt at Atkinson [Nationalist] for Wilmot. May we both be there when it is over.' Theodore did not win Herbert and Lyons won a majority as premier at the state election in 1925 and did not stand for the federal seat of Wilmot later that year. But in December 1924 the anticipation had been there for Lyons that he might go federal if he failed at the 1925 state elections.

The Nationalist hold on government at the Commonwealth level had become tenuous. Billy Hughes' resignation in early 1923, ushering in a Nationalist coalition with the Country Party and the Bruce–Page Government, had made Hughes something of a loose cannon. A malcontent, furious at having won the 1922 election but then been forced from the leadership, Hughes flirted with Bruce's opponents, even Labor, and at times crossed the floor to vote against the government. In 1925, after an eight-month parliamentary recess, Labor protested by refusing to debate the Address-in-Reply. At this point Hughes gave his own speech criticising his leaders, offering what he termed 'assistance and advice'. He sustained a populist sympathy among many non-Labor voters as he did so. While Bruce retained office strongly, he struggled to rouse business confidence. There was discontent among many small business voters. Hughes' continuing popularity at this stage did not directly threaten the Bruce–Page Government, but it made mischief within government ranks. As well, Labor had taken government in four states since the 1922 federal election.

All the while, however, Australia's economic prosperity was at the mercy of industrial action with the issue of arbitration at break-

ing point. Figures quoted by Stuart Macintyre in *The Oxford History of Australia Volume 4* show that the average number of working days lost annually due to industrial action between 1925 and 1928 was 1 052 750 while in 1929 some 4 461 000 working days were lost. In December 1927, the Bruce–Page Government brought down its Conciliation and Arbitration Bill. If this was enacted, picketing to stop strikebreakers would be an offence, trade union funds would be liable for the penalties imposed on officers as a result of strike action, the Commonwealth Court of Arbitration and Conciliation would be empowered to order secret ballots for trade unionists, inspectors would replace union officials for supervision of the Act, and the court would be allowed to deregister unions if necessary. Industrial action had played into the Nationalists’ hands at the 1925 election, keeping Labor identified with disruption and negativity. But with Jim Scullin taking over as federal Labor leader on 26 April 1928, the tide was about to turn.

Scullin, like Theodore and Lyons, was disturbed about growing government debt. In a series of speeches in the House during 1927, Scullin channelled theories of the economist Edward Shann, who had just published *The Boom of 1890 – And Now*. Scullin condemned the Bruce–Page Government, predicting that its heavy borrowings and overseas loans matched with decreasing exports and increasing imports, a severe trade imbalance and the inflating burden of interest repayments would very soon seriously cripple the Australian economy. In *J H Scullin: A Political Biography*, John Robertson has argued that while few prominent Australians were ready to notice the foresight of Scullin’s warnings, ‘Scullin gave an essentially accurate forecast of the main developments in Australia’s economic history in the years immediately following.’ As the election year of 1928 opened, Scullin continued to accuse Page of allowing the national debt to increase regardless of the nation’s ability to repay its large loans. At the 17 November 1928 election, Labor gained eight seats. While overall this was only two seats more than Michael

Charlton had managed as leader at the 1922 election (and Labor had lost seats at the 1925 election), the increase came at a time of weakening and increasingly divided Nationalist rule.

Significantly also, Labor was drawing new blood into its federal ranks. Ted Theodore had won the Sydney seat of Dalley (Balmain, Leichhardt and Annandale) at a by-election in February 1927. It was rumoured that the retiring Member for Dalley, William Mahoney, had been induced to give up his seat by a large bribe from Theodore's good friend and business associate, sports promoter and former illegal bookmaker John Wren. This did not stop the party from accepting Theodore as an aspiring federal leader. At the 1928 election, other new Labor parliamentary blood included John Curtin, who won Fremantle; Ben Chifley, who won Macquarie; and Jack Beasley, who won West Sydney. Then 1929 became the year of the great divide over the Nationalists' proposed changes to industrial arbitration.

The year opened against a backdrop of bitterness over rising unemployment. In February, an Industrial Peace Conference dissolved suddenly when the labour delegates walked out. But in the economic climate of a downturn, employers had little choice – longer hours and lower wages were now on offer to continue production. The timber workers' bitter strike that February proved violent. The same month, in spite of a Royal Commission announced by Bruce into the coalmining industry, proprietors of the northern NSW field, the Northern Colliery Proprietors Association, soon claimed that they could not continue to operate and make a profit if the miners would not accept lower wages. When the men refused, on 2 March, the mining company closed the pits and 12 000 men were suddenly out of work. The federal government decided to prosecute the principal mine owner, but then withdrew. The lockout continued for the rest of the year. Eight decades later, the impasse is hard to imagine. It was as if the federal government had washed its hands of any attempt at conciliation or arbitration. Then, at the premiers'

conference in late May, Bruce shocked the premiers by announcing that the states must vacate arbitration entirely or the Commonwealth would do so. When the states refused, Bruce began moves for the Commonwealth to abandon most areas of arbitration. It was chaotic politics in chaotic times. As L F Fitzhardinge in Volume 2 of *The Little Digger* has suggested, it may have been that Bruce ‘saw the approaching depression and hoped to shift the onus for wage cuts and worsened conditions onto the states’.

By August, the Bruce–Page Government was disintegrating, with Billy Hughes no doubt delighted at the thought of its premature end and his possible return to the top job. Theodore’s censure motion against the government for withdrawing its prosecution against the major coal owner instigating the lockout was defeated on 22 August. Hughes and a handful of colleagues had crossed the floor to leave the government’s majority at just four. That same day, Bruce introduced what was euphemistically named the Maritime Industries Bill whereby the Commonwealth Government would relinquish all its arbitration powers and industrial awards except those connected with maritime services for overseas trade. This Bill immediately preceded the Treasurer’s tabling of the Budget, which showed the national deficit had doubled in the preceding twelve months. Measures for an increase in entertainment taxes unleashed an advertising campaign to rival any other and the government was set on a ride to nowhere. As the Maritime Industries Bill was debated over two weeks, Hughes plotted its demise and his own (deluded) plans to return. He moved an amendment to the Bill that it be postponed until it had been put to an election or referendum. The Bill was put to the vote on 12 September – Hughes and five Nationalists crossed the floor while the Speaker, Littleton Groom, refused to vote. The Bruce Government was defeated by one vote. Bruce saw the Governor-General and a day later announced that an election for the House of Representatives would be held on 12 October 1929. The eleventh parliament had lasted less than a year.

Labor's last caucus meeting, held on 12 September, discussed how the crisis debate over arbitration could be included in Scullin's policy speech. During the campaign, that became Scullin's focus far more than the economy, the coal lockout or the entertainment tax. As John Robertson has noted, Scullin fought the campaign with great shrewdness and was only compromised by Theodore in New South Wales, who made 'reckless comments' on Labor's intention to immediately reopen the mines if elected. Conceived in division and instability, the campaign lasted just over three weeks.

Asked to comment on the collapse of the Bruce Government and Labor's opposition, Lyons made a statement to the *Mercury* from Burnie as the election was announced. He predicted that the Bruce Government would be defeated at the polls as it had been defeated in parliament. Tasmanians had no reason to regret the demise of the Bruce Government, he added, which had not delivered on its promise to provide improved shipping facilities to Burnie and Devonport. Moreover, since the devastating floods across Tasmania in April 1929, the Bruce Government had reduced its money in grants to Tasmania, promised when Lyons had been premier, by some £128 000. As for Mr Bruce, 'he had tried to "put one over" the House by forcing members to adopt something which had not been even whispered to constituents at the general elections only last November'. This was a Joe Lyons readying for an election fight, not one seeking domestic contentment back in Devonport. In the same interview, however, Lyons deflected a question over whether he and Allan Guy were considering standing as candidates. There might not be sufficient time for any state MPs to resign from one parliament in order to stand for another, he replied. He added that this would all be considered at a meeting in Launceston the following week.

In fact, there was to be no waiting. By Monday, Scullin had sent telegrams to significant state Labor figures around the country. The *Freeman's Journal*, on 19 September, wryly reported how 'Scullin and

Theodore sent a shiver through State Labor members when they suggested that some of the most prominent of them should resign and contest some of the Federal seats which the party might have a sporting chance of winning.' Only Joe Lyons, noted the paper, along with his good friend and Tasmanian colleague Allan Guy and David Riordan, an AWU official from outback Queensland, put their hands up. The campaign was so sudden, there was little time for preselections and most 1928 candidates were automatically left to stand for their seats. By Tuesday 17 September, newspapers were reporting that Joe Lyons and Allan Guy had resigned their state seats and nominated for Wilmot and Bass in the federal election. Lyons would have no doubt he had crossed the Rubicon when, on Friday 27 September, Bill Shoobridge was declared as Lyons' successor for the state seat of Wilmot.

As recalled by Enid Lyons in *So We Take Comfort*, Joe Lyons had been fired with excitement from the moment he had brought in the morning newspaper on Friday 13 September with its headline-grabbing announcement of an election for the House of Representatives to be held within weeks. While the nation had been in suspense over the vote of Hughes' amendment and its consequences for some two days, Enid and Joe had been staying at the Burnells' home in West Burnie, quietly awaiting the birth of their tenth child. They were relaxing and untroubled, with Eliza Burnell taking care of their children back at their home on the orchard in Devonport. All this tranquillity was suddenly suspended with the news of a federal election. Joe could barely resist the challenge; all options were on the table whatever desires Enid might have had for a quiet family life. Then Scullin's telegram arrived and Enid realised Joe must have his wish. She accepted that her 'immediate situation must be forgotten'.

Within a day, Lyons was back on the road addressing meetings across the electorate. This was where he was most at home over decades. After little Rosemary was born, a week later on 25 September, Lyons squeezed in just an hour to stop by his wife and

new baby. Meetings he was scheduled to speak at around this time were at Mole Creek, Perth and Evandale – all within striking distance of Burnie – before he moved on to Dunloran, Swansea and Ross. The theme of Lyons' campaign was 'Case for Tasmania', and, like a premier against the Commonwealth, he campaigned on state issues with a well-honed local message he had been articulating for years. It was a winning streak in that hastily called election against a government that had clearly disenchanted voters across the nation.

On 12 October 1929, Joe Lyons won the federal seat of Wilmot for Labor, tipping out a Nationalist candidate who had held the seat since 1906. His old mate Horace Pithouse was one of the first to congratulate him, scrawling on notepaper 'Dear old Joe, Eight thousand hoorays, as ever. Horace.' In a telegram sent on 24 October, Tasmania's conservative Premier John McPhee offered best wishes from all members of the parliament as Lyons was named a member of Labor's Cabinet. 'This honour we feel is justly due and is a tribute to your public work in Tasmania,' said McPhee. Asked to comment on his historic election victory by the *Mercury*, Lyons deflected his views to others, saying: 'I am glad to know that Mr Scullin will now be forming a government and I am perfectly satisfied that as far as Tasmania is concerned she will gain substantial benefits ... from Mr Scullin.' The euphoria would be short-lived.

10



Welcome to Canberra

The Postmaster General J A Lyons informed the House ... that while the length of service would be taken into consideration when temporary employees were being dismissed from the postal service ... preference in the matter of retention would be given to married men with families.

The Mercury, 28 November 1929

Joe Lyons took his seat in the federal parliament unaware that he would spend the next eighteen months on a roller-coaster ride. First he was a minister in the Scullin Government, then Acting Treasurer after less than a year before retiring to the crossbenches within months and becoming leader of the opposition to sit across the table from his former leader, Jim Scullin, and old party comrades while locked in a struggle for power. Such an emotional and heady journey was far removed from the cold classroom where he had begun his ambitious climb in Stanley or the muddy tracks he had navigated as a rookie teacher at Swansea between the Lynes' grace-and-favour half-schools. But if Tasmanian grandee Carmichael Lyne or his

brother, Federation founding father Sir William Lyne, had lived to see it, what a surprise it would have been to them.

New Labor Prime Minister Scullin, his Treasurer, Ted Theodore, and, to a lesser extent, Postmaster-General Joe Lyons were now governing the Federation of Australian states from the national capital, Canberra, some 100 kilometres from Goulburn. In this tiny settlement, sheep outnumbered people. By 1929, dotted across this rustic landscape were the first of many grand structures to come, buildings such as the newly opened (now 'Old') Parliament House – a white monolith rising above paddocks where cattle grazed as late as the 1940s – and the city centre of shopping blocks with covered walkways in a Mediterranean style.

There was also the completed prime ministerial home known as the Lodge, imposing but not grand and surrounded by formal gardens and European trees. Scullin's decision not to live in the Lodge but reside when in Canberra at the Hotel Canberra (now the Hyatt Hotel) caused controversy in his first weeks as prime minister. Australians, clearly, were beginning to take their symbols of power seriously, even though Canberra was very much a fledgling city mainly consisting of men. It was also a city where a family the size of Joe and Enid Lyons' brood of ten children could not be accommodated. The tidy timber, fibro and monocrete cottages built for the young families of workers on site had barely three small bedrooms. Enid Lyons described her first glimpse of the capital in her memoirs:

It might have been a large country town had it been drawn together. Instead it was a number of small settlements – obviously planned and therefore outside the Australian tradition of wildly haphazard development – spread over an enormous area and separated into its various parts by acres of parkland and rough open stretches where sheep sometimes grazed. A strange place in a strange setting.

In this strangely Australian, yet not quite Australian, setting the

Scullin Government savoured its momentous victory as parliament opened on Wednesday 20 November. But the celebrations were brief. Already ministers were hard at calculations for a severe pruning of budgets. As the conservative Tasmanian *Mercury* put it on Monday 25 October:

The people of Australia must have been startled when they woke on Friday morning and discovered that while they had slept the new Labor Government, on the second day of its first session, had increased the income tax, put higher rates upon about 200 items in the tariff schedule, increased the petrol tax, and reduced the duty on beer.

Increasing tariffs was intended to make imported goods less competitive, thereby encouraging Australians to buy local goods.

The 1929 election was an election for the House of Representatives only. This left numbers in the Senate heavily imbalanced against Labor – of the 36 seats only seven were Labor senators. Even when the Senate divided along state lines, it did not benefit government legislation. With the new tariff schedules, however, Scullin managed to delay Senate debate on the Bill by not introducing them until October 1931. By law, tariffs became effective from the day they were tabled. Scullin told parliament on 26 November that the previous government had ‘allowed goods from abroad to flood the Commonwealth and so had kept workers in this country unemployed.’ He added that the Nationalists’ participation in the Imperial Migration Scheme had flooded the country with ‘workless people from other countries’ who competed with Australians for jobs.

The immediate Budget brought down by Theodore in these weeks of parliament did little for the unemployed. On 26 November, Lyons came under attack in the House over retrenchments of temporary postal workers – some of whom had been employed by the Postmaster-General’s Department for six years. His replies were the usual replies by a minister under such circumstances – little

Joseph Lyons



Joe Lyons, Labor Postmaster-General, 1929–30,
as seen by *Bulletin* cartoonist Ted Scorfield
Courtesy Home Hill Museum, Devonport

could be done but what might be done was being done. 'The staff engaged in engineering work will be retained as long as practicable, and I am hopeful that no dismissals will be necessary until well after Christmas. The matter is being kept under close review and every effort will be made to avoid dispensing with the services of temporary men,' he told the House. It was an 'on hold' assurance with the hope of better times to come. As Lyons revealed to parliament on 13 March 1931, he had consulted with Theodore at the time to plead for an advance of loan money to help keep postal staff employed. But Theodore had refused, saying he could no longer borrow what they needed. 'Why,' asked Lyons, who was by 1931 opposing the printing of money for relief, 'were these schemes for the raising of funds merely by issuing paper money not then proposed?' As Lyons well knew, in 1929, as the Scullin Government took office, Theodore and Scullin did not believe that credit expansion would help solve Australia's financial dilemmas.

In late 1929, Scullin was confident that Labor's high tariff walls and suspension of immigration programs would lower unemployment rates. He would be disappointed. In his Alfred Marshall lectures in 1933, Douglas Copland dealt with high tariffs quickly. The tariff inquiry of 1929 had shown that high tariffs retarded the growth of export production. By 1929, Australia needed any export production it could muster. Moreover, higher tariffs or protection inevitably meant higher prices. Copland concluded: 'The theory behind the tariff policy of the moment was indeed wholly fallacious.' But tariffs were the policy of all countries in 1930, and with Imperial preferment after the Ottawa conference in 1932, a new assortment of tariffs would become central to the Lyons Government also.

On taking over the Treasury in October 1929, Labor confronted national statistics that were far more sobering than expected by Labor leader Jim Scullin or his colleagues. Australia had been living on mounting loans – both state and Commonwealth – for more

than a decade, while commodity prices for Australia's staples, wool and wheat, had collapsed. The worst offender state was New South Wales, where Labor would soon splinter under the pressure of the financial crisis. By 1929, the situation was dire. The Bruce–Page Government had played with the budget figures even before its election campaign. On taking office, Scullin and his Cabinet soon realised there was no budget surplus to be found whichever way one looked.

In fact, Labor had inherited a Commonwealth accumulated deficit equal to around twelve per cent of its annual revenue after money earmarked for the states was taken out. There was a crisis in loan repayments. All the while, Australia's capacity for borrowings to cover ongoing business was in jeopardy as credit dried up in the UK, with British interests taking priority. The Commonwealth Loan Council, created in 1927, was continually in arrears. Meanwhile, the Government Statistician had estimated that unemployment among union members covered in union records (these less than half of total membership) was more than thirteen per cent. Unemployment among non-unionists could not be measured. Before another twelve months had elapsed, the same measurement would find that more than 20 per cent of recorded unionists were unemployed. The 1929 Wall Street stock market crash on 24 and 29 October took time to fully register in Australia, where the economy had already slowed dramatically to depression levels.

As credit dried up and commodity prices for wool and wheat continued to fall, industry slowed and the effect of strike action increased. The NSW coalminers' strike would last sixteen months, with the miners returning to work for the lower wages they had refused to accept at the outset of their action. By the end of 1929, unemployment was acute as the Newcastle strike dragged on. Bede Nairn in *The 'Big Fella'* quotes NSW MHR for the seat of Hunter, Rowley Jones, on 12 December appealing for a grant to tide strikers over for Christmas: 'There are 36 000 of my constituents on

the verge of starvation.’ But Scullin was unmoved and would do nothing to encourage the men to stay out. Others, he reasoned, had no choice about being out of work. Scullin had told parliament on 29 November how in his Melbourne electorate of Yarra (around Richmond) there were 5000 unemployed, some of whom had not worked in two years.

Economic historian E B Schedvin commented in *Australia and the Great Depression* how ‘the fundamental problem was ... the increasing dependence of the economy on overseas capital and it is pointless to blame the [Loan] Council for a situation over which it had no control ... in a thoroughly confused situation’. Economist Douglas Copland in *Australia in the World Crisis, 1929–1933* diagnosed that between 1925 and 1929 ‘there was too much capital expansion, both public and private’. He also pointed the finger not just at Australia’s excessive borrowing, but also at an economy rigid with protection and a highly regulated wage system. There were some positives, however. The fact that Australia had entered this period of economic stress ahead of overseas countries, Copland believed, made Australia’s necessary adjustment of financial management and its systems more likely: ‘Australia had an advantage in coming into the depression early when it was customary, even in Australia and to a much greater extent abroad, to regard economic troubles as a measure of the errors of national policy. [Australia] was forced, as a distinguished visitor to her shores remarked, “to help herself”.’ In addition, Copland could point to Australia’s ‘very substantial exchange reserves (London funds and internal gold reserves)’ and added that this was due to banking policy ‘not only of the Commonwealth Bank, but also the policy of the trading banks’.

On 4 February 1930, following a bank board meeting, Commonwealth Bank Chairman Robert Gibson sent a briefing letter to Prime Minister Jim Scullin. The Commonwealth Bank at the time acted as a central bank for the Commonwealth Government. Gibson’s letter to Scullin was typical of his correspondence with

government at this time and presented a stark picture of the nation's immediate financial position:

Even taking into consideration such movements of gold overseas as is deemed wise at this juncture, and speculating upon all sources of London credit which it would be reasonably safe to rely upon, in the light of the export position, my Board is definitely of the opinion that having regard to the obligations already existing on the part of the Governments and those maturing before 30th June, it is anticipated that there will be a definite shortage to meet the situation. So far as the Bank is concerned therefore, I regret to have to advise you that as of the present the Bank cannot see its way beyond the point of meeting the London requirements of the Governments which bank with this institution, up to 31st March 1930, and then only by straining the resources of the Bank to such an extent as only the very serious position will justify.

Gibson went on to detail the very large sums the government would need to find before the end of the financial year in order to support debt and interest payments. He added that an 'unfortunate atmosphere' had been created in London as to Australia's tendency towards profligate indebtedness. He offered the bank's 'channels' in relaying more positive 'propaganda' regarding the true position of Australia but said this must be done 'judiciously'. He concluded by saying that even if the government could meet the amounts required by 30 June, 'it would still leave the Bank drained of London funds'. Further borrowing would be needed or treasury bills would have to be used. And he reminded the Prime Minister that it was the bank's duty to be able to come to the assistance of the trading banks at all times in order to 'meet even the limited needs of Australian business obligations'.

The central bank

As chairman of the Commonwealth Bank since 1926, Robert Gibson had managed to transform his role into that of effective governor of the bank as well. A man of obsessive diligence and frugality, his Scottish origins added to his aura of industry and financial prudence. In Gibson's *Australian Dictionary of Biography* entry, C B Schedvin draws a picture of a small man with a large presence whose background was as an industrialist and manufacturer rather than in banking, concluding that 'Gibson was a gifted craftsman whose personal need for order, stability and control led to over-rigid reliance on a set of simple axioms which was inadequate to negotiate the turmoil of the Depression.' Schedvin calls this failure a 'tragedy'.

Though some years away from acquiring full central banking powers, the Commonwealth Bank was fundamental to the monetary policy decisions taken during the financial crisis of the 1930s in Australia. At the time, but to a lesser extent, so were the trading banks. In following Gibson's conservative advice, Scullin, Theodore and Lyons were taking the conventional advice of their day. Of the three, however, Lyons was the most constant in his belief that economies must be found. His Tasmanian experience was fundamental in this. In a piece for the *Sydney Morning Herald* on 27 June 1932, economist John Maynard Keynes backed the economies Lyons had supported following on from the Premiers' Plan of 1931, saying the plan had 'saved the economic structure of Australia'.

On 6 June 1930, with the end of the financial year approaching, Gibson wrote to Theodore urging the government to find savings. Australia's financial situation had worsened. The bank had agreed to 'stand behind' the wheat scheme, which meant 'a heavy call on the resources of the Bank'. Furthermore, the bank could not touch any 'frozen asset' which, Gibson reminded Theodore, 'could not be liquidated without not only serious loss to the Bank, but also with disastrous effect upon National credit'. Gibson again stressed the

need for economies rather than stimulus and outlined the seriousness of the situation in the months ahead. Theodore had little room to move.

It is said that one of the mistakes Prime Minister Scullin made during his brief term as prime minister was to reappoint Robert Gibson in August 1930 as Commonwealth Bank chief. Gibson was guided strongly by London or overseas authorities which, as Douglas Copland wrote in *Australia in the World Crisis, 1929–1933*, backed a ‘policy of balancing the budget, reducing salaries and wages and maintaining the gold standard’. Australia officially left the gold standard at the end of 1929, but throughout 1930, as Copland pointed out, ‘every effort was made to preserve parity of the Australian pound with sterling’. Although, as Alex Millmow points out in *The Power of Economic Ideas*, the shipment of £25 million worth of gold to London in 1929–30 effectively took Australia off the gold standard. Meanwhile, a reduction in spending became the ethos in Australia in 1930.

Yet the problem was not just Gibson. The advice he followed was the orthodox economics of the day. With the crisis in credit at the time, alongside Australia’s deep financial quagmire as a small trading nation with large government debt and its vulnerability because of its rigid economic system, Gibson’s advice would have made complete sense to those with the responsibility for the national interest. Not till the credit crisis eased towards the end of 1930 and early 1931, when unemployment and stagnant industry were shaping as a national disaster, was there a shift in thinking towards credit expansion by both Theodore and Scullin. Even then, neither contemplated repudiation, or refusal to pay, as did Labor’s radicals who followed Lang. And Theodore’s plan to inflate the economy was but a brief flirtation. In June 1931, it was Scullin who presided over the formalising of the Premiers’ Plan to cut government spending and reduce pensions and interest on government bonds in order to cut public debt.

C B Schedvin noted that Robert Gibson was completely correct in advising Scullin that, by 1929, Australia had a poor reputation around London's financial districts. Ironically, it was John Maynard Keynes, that economic father figure of credit expansion, who was of some influence in this negative thinking. Keynes believed that the favourable lending status conferred on the Dominions under the Colonial Stock Act encouraged Dominion countries like Australia and Canada to borrow 'too cheaply resources which we [UK] can ill spare'. As quoted in the *Australian Insurance & Banking Record* in 1924, he went on to illustrate with an Australian example:

Last week New South Wales borrowed in the London market £5 500 000 new money 'for railways, tramways, harbours, rivers and bridges, water supply, irrigation, sewerage and other purposes'. A part of this may pay for orders placed here arising out of these undertakings. Probably the greater proportion will not be used thus, but in paying labour on the spot and importing supplies from elsewhere.

Articles in the *Times* and the *Investors Review* added to the gossip and opinion around financial markets that countries like Australia were on an 'orgy' of borrowing. A couple of stockbrokers handed out pamphlets at the 1926 Imperial Conference that opined 'there is no more voracious borrower than the Australian Commonwealth'. Loans, the pamphlet recorded, were being taken out to pay off earlier or temporary loans, all 'dangerously easy for Colonial borrowers'. There was much truth in the rumours. Schedvin writes that 'the Commonwealth's appetite for British capital was insatiable', and he demonstrates how in 1925–28 Australia borrowed twice as much as the next most important borrowing group in the list of British overseas investors. In 1930, Scullin's new administration would be forced to face the cost of that decade of debt. Dramatically so.

In a letter on 18 October 1929, economist Douglas Copland had warned Lyons of what to expect. It was a letter of 'hearty

congratulations' to Lyons on 'a personal triumph' in Wilmot. But Copland added, 'You will find a situation not unlike that you had to deal with when you took office in Tasmania & you will therefore find ample scope for your administrative powers.' The *Mercury's* report of a celebration for Tasmania's winning Labor MPs on Saturday 26 October at the Launceston Trades Hall highlighted Lyons saying that 'the people would get a shock when they learned of the state of the finances'. For all this, as 1929 came to a close, there was a sense of hope and belief that a new administration could spur a revival in the nation's circumstances.

Scullin's first Cabinet meeting was held in Canberra on 23 October; Joe Lyons sat as the new Postmaster-General and Minister for Works and Railways. The portfolio carried a hefty budget and strenuous responsibilities, including administering a large workforce soon to face the threat of wage cuts and retrenchments, even as his Tasmanian supporters saw Lyons as their champion of wage justice. The next day, on the lawns in front of Parliament House, overlooking paddocks and grazing sheep, each member of Cabinet faced the Fox Movietone News camera, through which they would introduce themselves to the nation in countless cinemas. Advertised regularly in the *Mercury* a few weeks later as part of the 'Prince Talkies', this film of Scullin and his Cabinet became the 'Sights and Sounds of Australia' through the magic of 'sound photography'. 'Scullin Talks' was billed with a popular drama – 'The Love Trap' starring Laura La Plante. Politics as virtual reality had begun.

The party

The Labor team that took office in late 1929 under the leadership of Jim Scullin had talent but lacked experience in government. Ted Theodore, who became Treasurer, had been Queensland Premier for just over five years, and Joe Lyons had experience as Tasmania's Premier for nearly as long. Scullin's biographer John Robertson notes

that caucus took Scullin's views into account when voting for the ministers. This may have accounted for John Curtin being left out. Teetotal Scullin had little time for Curtin, who had a reputation at the time as worse for the drink. What difference this might have had on Cabinet decisions is hard to say. Curtin, unlike the more conservative Chifley, was a radical if not divisive voice in caucus throughout the Scullin administration. But it was Ted Theodore who held the expectations of greatness.

Like all oppositions heading into government after years in the wilderness, the Scullin caucus sheltered many divisions. At first these were tempered by Labor's record win at the polls and the excitement of taking power. For the first months, Lyons himself played a cautious hand within the party, letting his departmental and administrative responsibilities absorb his energies. But a large caucus is also difficult to manage, with such a majority opening up huge expectations for the party delivering on long-held policy desires. This was particularly so in 1929.

Party discipline would be severely tested by the economic disaster the Scullin Government inherited. And this all the worse for a caucus raw from two decades of party debate over income redistribution, industrial reforms for unionists and workers generally, as well as a retained belief in many Labor MPs that the battle between labour and capital had only just begun. Lyons was no stranger to these debates in Tasmania, but the rancour unleashed during 1930 in the federal Labor caucus reached a level that Schedvin concluded no Labor prime minister 'could have materially altered'. For Lyons, the situation would become unbearable and leave his good friend Frank Green to observe in *Servant of the House* that Lyons was driven out of caucus.

Another problem for the Scullin administration, while unforeseen in 1929, was the imbalance in caucus. Labor's representation of MPs from NSW electorates made up just under a half of the caucus, and from a state where the Nationalist Government of

Tom Bavin was losing its grip after just two years in office as the long-running northern coalfields strike savaged public opinion. The Bavin Government's demise would play into the hands of Labor leader Jack Lang, who had been NSW Premier from June 1925 until October 1927. Lang's escalating populist rhetoric against bankers, both local and foreign, alongside his promise to restore industrial gains as well as regulate a fair deal for both workers and the poor, increasingly challenged Scullin's more orthodox policies of restraint and budget control. This eventually would split the federal caucus.

Joe Lyons had responded to Scullin's appeal to contest the 1929 federal election as a Labor politician of standing and rare administrative record. Lyons, like Theodore, was fast-tracked into the rookie Scullin ministry as one of the few 1929 Labor MPs with government experience. Historians, among them Schedvin, have canvassed the opinion that it would have been wiser for Lyons to have declined a ministry position and taken more time to adjust to federal Labor. Coming from the more moderate ambience of Tasmania's Labor Party, Lyons became more and more disenchanted by the volatility of Labor conflicts in the latter half of 1930. But there is nothing in his record as the Postmaster-General and Minister for Works and Railways after November 1929 that would suggest Lyons was other than competent at his ministerial posting. It was simply that, over months of wrangling and direct wrecking by NSW federal Labor MPs supporting Lang in caucus and Cabinet during 1930, Lyons came to a position where he believed that risking Australia's international survival for the erratic visions of populist and class-ridden rhetoric would be a disaster for his country.

In his early months in the federal parliament, Lyons kept to his departmental brief and matters relating to Tasmania in his words to the House. From the moment of his appointment as a minister, Lyons worked assiduously with his departments, then still in Melbourne. Hansard records indicate that he handled question time

adroitly, in spite of often having to juggle questions about retrenchments and what the government was doing to keep men in jobs in an area of public service where many were ordinary workers. On some occasions, Lyons could blame the previous government; with others he needed to get on top of complex detail, whether it was about matters concerning the new communications networks of radio and telephone or endless state demands for improved railways and roads. His experience as a state minister and premier was invaluable, and it showed. He avoided attention-seeking or emotive statements to the House. Lyons' parliamentary experience was also evident on occasion when he felt confident at taking on his opponents.

An exchange with opposition leader John Latham and Country Party leader Earle Page in the House on 11 December 1929 was a case in point. Developing from a discussion over a suburban automatic telephone exchange, Page began defending the finances of the Bruce–Page administration. Called to order by the speaker, Page and Latham then criticised Lyons for closing off the discussion, to which Lyons parried that he needed no advice from the opposition leader as to how he should behave in the House. In the continuing exchange with Page and Latham, Lyons managed to land several blows on the previous government for financial mismanagement. By August 1930, Lyons was preparing to stand in as treasurer while Scullin was away for five months in Britain.

Given that Ted Theodore was also new to federal politics, having won the federal seat of Dalley at a by-election in 1927, the view that Lyons needed time on the backbench is questionable. Such an evaluation of Lyons certainly underestimates his political savvy. In less than two years from winning a seat in federal politics, Lyons would become a popularly elected Australian prime minister. Theodore, meanwhile, would fall short of his ambitions while federal treasurer and go on to lose his seat at the 1931 election, very much disheartened at his failure to prevail over his colleagues in the matter of credit expansion. Yet no historical commentator

has ever suggested that Theodore should have spent time in government on the backbench before taking a portfolio. This, also, in spite of Theodore having come to grief as a result of the investigation into his part in the Queensland Government investment in the Mungana Mine and allegations of corruption. The legal probe into Mungana and Theodore, whatever the motivations of Labor's political enemies in calling for it and regardless of the fact that he was acquitted, forced Theodore to stand aside from his portfolio in July 1930. The case, which dragged out well into 1931, badly damaged the Scullin Government. In the divisions within Labor that followed Theodore's temporary absence from Cabinet, the Scullin Government floundered.

For most Labor members, up to and beyond 1930, Labor solidarity was a dictum on a par with orthodox religion. For all that, in those first decades of the century, party affiliation had often been fluid. Billy Hughes had been forced out of Labor in 1916 to evolve into a Nationalist and go on to become a long-serving conservative prime minister. A handful of Lyons' Tasmanian Labor colleagues had followed Hughes. Meanwhile, over decades, anti-Labor forces had regrouped many times.

During the brief two years of Scullin's prime ministership, with the political challenge of world economic collapse, there was a fragmenting yet again within the Australian labour movement. At one extreme, as played out in the coalminers' strike in New South Wales, radical forces saw industrial unrest as a new theatre of war. Miriam Dixson in *Strikes* ('Stubborn Resistance') writes of 'rising men, mainly communists' who led the striking miners on long after they should have conceded. Beyond them were the Lang populists, who would split the party by promising a program to overthrow the capitalist system while delivering nothing of it. Then there were Labor MPs like Frank Anstey, the radical Member for Bourke (around Brunswick in Melbourne) who saw conspiracy in the advice of financiers whose knowledge controlled

the monetary decisions of government. Anstey believed he could sway his leaders towards financial revolution, on Labor's terms, only to find himself mugged by the reality of compromise and very limited options.

The rationale behind Anstey's position on finance offers an insight into familiar thinking around socialist circles of the time. Anstey saw capital as sinister and very much in the hands of global financial elites, men who manipulated markets for their own gain. An excellent summary of Anstey's reasoning during Australia's 1929–31 credit crisis can be found in Peter Love's 'Frank Anstey and the Monetary Radicals' in *Australian Financiers: Biographical Essays* (ed. Appleyard & Schedvin). As Peter Love argues, in Anstey's *Money Power* (1921) the explanation for the economic crisis of 1929 is conspiratorial and captured in a few sentences from Anstey:

The nation sinks further and further into debt. It is mortgaged. It is cut up into stocks, bonds and debentures at so much per cent. It is sold in pieces upon the market places of the world, and the right to bleed is sold to the highest bidder – Yankee Doodle, Jap, Jew or Gentile ... Whosoever controls the banks controls industry. This control is exercised in every country by a small group – the inner circle of great Capitalists.

Anstey's earlier work *The Kingdom of Shylock* (1915) was replete with anti-Semitic references, causing its circulation to be suppressed. When it was reprinted in 1921, many of these references were deleted. Anstey continued, however, to see finance in terms of a Jewish conspiracy.

For members of the Labor caucus like Frank Anstey, the early advice to the Scullin Cabinet from Commonwealth Bank chair Robert Gibson was merely an anti-Labor stance and an attempt to undermine the Scullin Government. In extracts of Anstey's colourfully phrased 'Memoirs of the Scullin Government' (*Historical Studies*, vol. 18, no. 72), it is clear that Anstey believed this from

the outset. Gibson had addressed Cabinet in the first weeks of the Scullin Government to outline the dire financial situation. At the meeting, Anstey accused the banker of partisan behaviour, saying that before the election, with a Nationalist Government, he had said Australia's financial situation was no cause for pessimism and that conditions were as good as at the end of 1928. Now, with a Labor Government, Gibson was saying the bank could not finance the government beyond the end of November 1929. When Gibson left, affronted by the attack, Anstey let fly:

I said, 'That puts the lid on us. We are going to be blockaded not only by a hostile Senate but by a hostile Bank Board. There is only one way to save our lives – force a double dissolution before the tide of popularity runs from under us.' ... A few days later I again put my foot in the wrong hole. In Cabinet there was no talk of ways and means to finance works to meet the rising tide of unemployment but there was much brain throbbing as to how to raise the wherewithal to pay interest to overseas bondholders ... no matter who starved at home.

NSW Labor leader Jack Lang and many of his followers also resorted to similar conspiratorial theories in condemning the financial collapse. Bede Nairn describes this in his biography of Lang, *The 'Big Fella'*, writing: '[Lang] shared with Anstey and other socialists, as well as the members of the Royal Sydney Golf Club and of the Melbourne Club, in the uneven but widespread anti-Semitism in Australia.' Meanwhile the Socialisation Unit within NSW Labor, analysed in Robert Cooksey's *Lang and Socialism: A Study in the Great Depression*, saw the 1930 economic crisis as capitalism's death rattle. This ginger group began evangelising sections of Labor with the slogan 'socialism in our time'. Lang would eventually outplay them before being outplayed himself. But not by Ted Theodore, who, having moved to New South Wales to win a federal seat, had immediately challenged the Lang forces for superiority in that state.

The rivalry and slow simmering war between Lang and Theodore would drain Labor from late 1930 as they jostled not only over fiscal and monetary superiority but also for control of the NSW party machine. Theodore would leave the stage first. But Lang would not be far behind him.

In spite of all – optimism

By 20 December 1929, Lyons had returned to the family in Devonport and spoken to the press. Forced to fight a federal by-election in Franklin after sitting member and Independent Bill McWilliams had died suddenly on 22 October, Labor had won the seat handsomely. The *Mercury* reported on Saturday 21 December that Lyons had told the newspaper that Labor's win had made history. Labor had never won Franklin federally and often did not stand a candidate in the seat. To win it, and by a thousand votes, showed the party was even more popular than at the federal election a few weeks earlier.

Lyons was upbeat also about the new tariff schedule imposed by the Scullin Government and optimistic it would lead to more employment in local manufacturing. Australian-made goods 'would lead to further employment and all-round prosperity', he said. It was a familiar belief of leaders generally in an Australia so heavily protected by tariff walls, but from Lyons it was a statement more of hope than conviction. In the adjacent column of the same page, a report on the wool industry recorded that Australia's wool-growers had lost £20 million in just one season.

At home, however, Joe and Enid Lyons could only celebrate the family's personal fortunes. Once more together, after weeks of separations, they prepared the children for a hearty Christmas, albeit one with few presents as they reminded them of others who had far less. As an adult, Janice Lyons would recall that her older siblings were given a cake of soap each for Christmas one year

during the Depression as her parents gave money to collections for charity instead. Joe and Enid were also making plans for a move to Melbourne in the New Year. With his departmental offices located there, Lyons hoped that by moving to Victoria's capital his family would not be so far away, although Desmond would return to Tasmania at the end of January to board at Hobart's St Virgil's College. The other children would see him more and Enid would be less isolated. Mavis Lyons' parents were to move into Home Hill as caretakers.

As Enid Lyons recorded in her memoirs, the family made their crossing to Melbourne in January 1930 during an intense heat wave and on a ferry that was delayed seven hours because of the 'slow' coal it was forced to use during the NSW coalminers' strike, which would continue for many more months. The family's belongings did not arrive until nearly midnight, by which time the family were all sprawled exhausted on the lawn, the small children asleep, in front of their newly rented home at 309 Dandenong Road, East St Kilda. Within weeks, the heat would force Enid to take her baby home to Devonport, leaving the other children to be cared for by a friend.

As had been the case throughout Joe and Enid's married life, constant movement and resettlement never slowed them. Enid's youthful strength and Joe Lyons' drive to take whatever steps his political career demanded kept them energised. As well, Enid was a forceful organiser who had gathered about herself friends and relatives who could step in at a moment's notice to take over with the children: friends in Melbourne if she had to travel back to Tasmania, relatives in northern Tasmania or Hobart as required. The network was remarkable.

Within months, there would be another move of house. Over the early months of 1930, politics began to absorb Lyons almost totally. After August, when he became Acting Treasurer, Enid and the children all returned to live again in Devonport. It was yet more

Welcome to Canberra

upheaval for the Lyons family, but it also echoed even more disturbance in the Scullin Government and, inevitably, another transition along Joe Lyons' career path.



Prime Minister Joe Lyons visits his Aunt Mary Carroll, who,
with her sister Etty, supported him while he finished his schooling
Courtesy Home Hill Museum, Devonport



Joe Lyons as Prime
Minister returns for a visit
to the cottage of his birth
in Tasmania's Stanley
*Courtesy Home Hill Museum,
Devonport*





Campaigning for Wilmot
as a young Labor candidate
– having a bicycle was a
luxury

*Courtesy Home Hill Museum,
Devonport*

The outback schoolmaster
– Joe Lyons and his pupils
at the Pioneer School, 1906

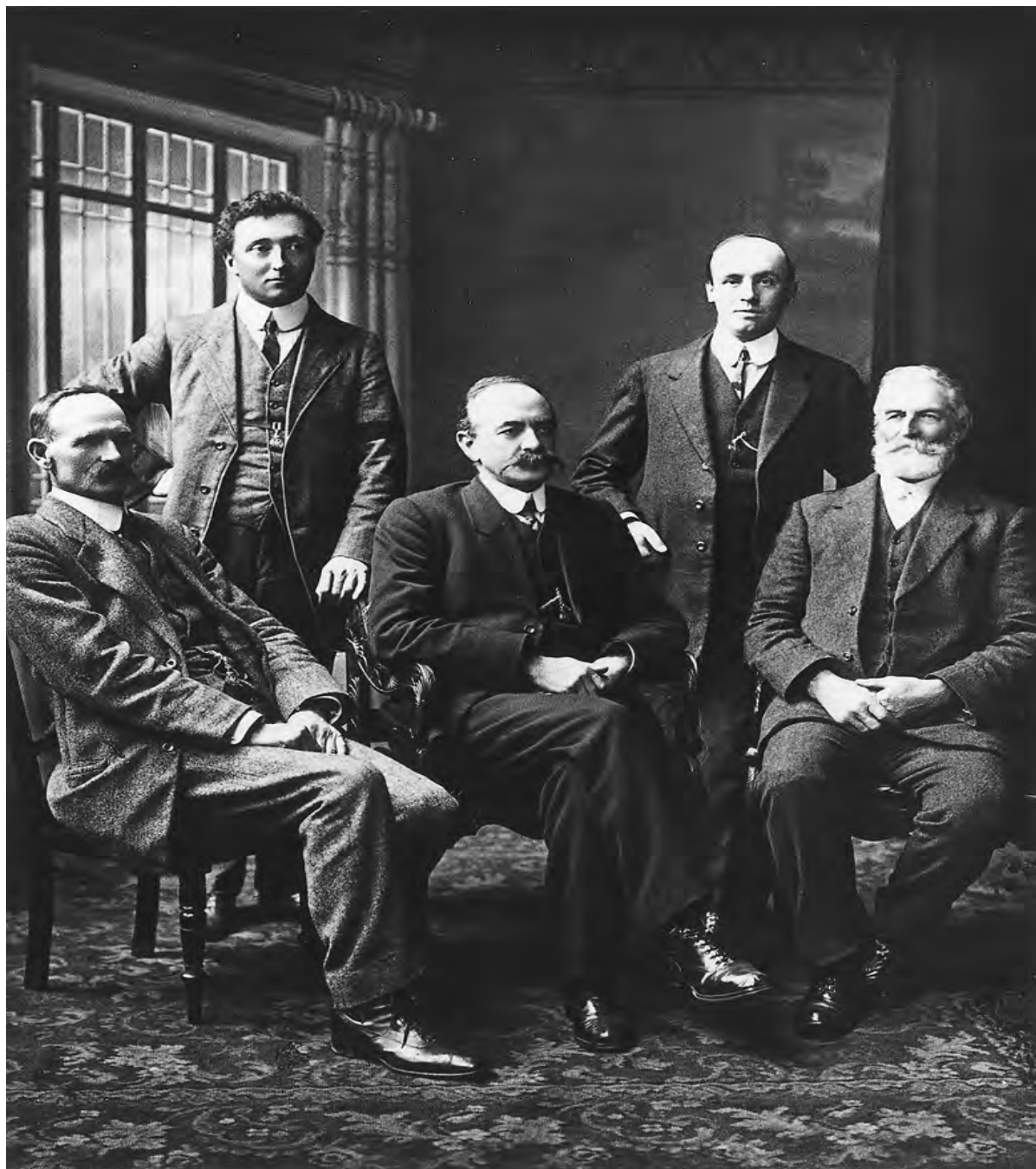
*Courtesy Home Hill Museum,
Devonport*





Four of the Lyons brothers (circa 1900) – l to r: Tom (seated),
Joe (standing), Arden (seated), Jack (standing)

Courtesy Lyons family



Tasmania's first Labor Cabinet – l to r: James Ogden, Joe Lyons,
Premier John Earle, Peter McCracken, James Belton

Courtesy Home Hill Museum, Devonport



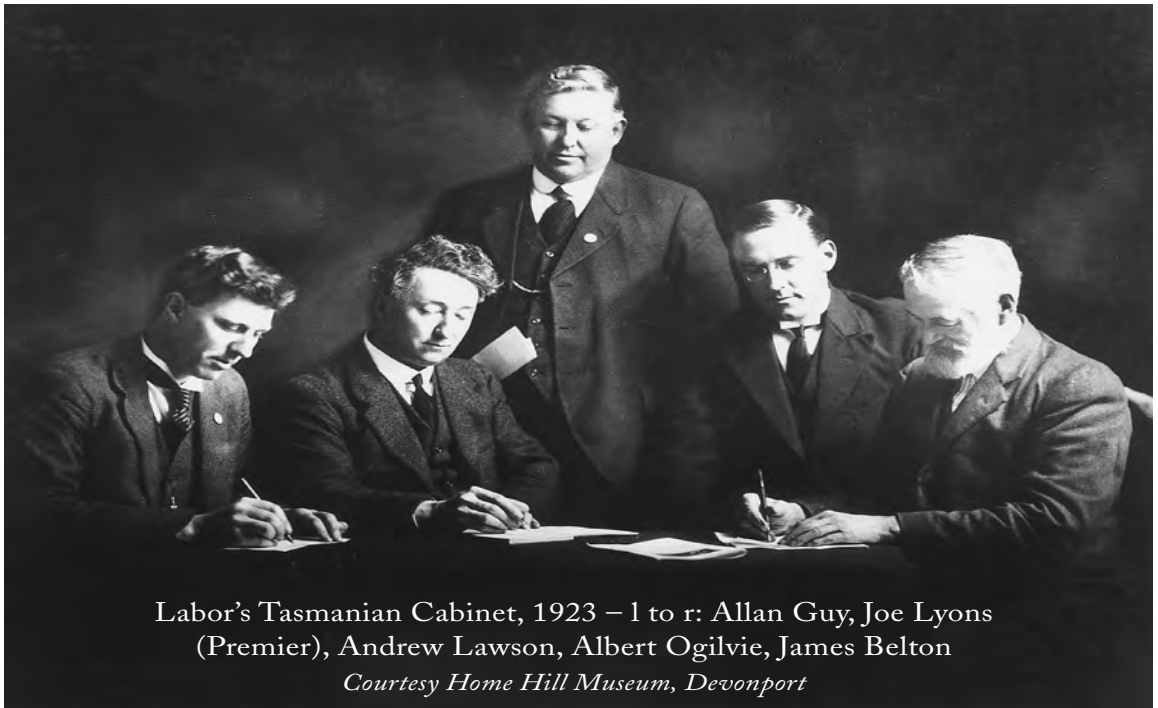
Nellie and Enid Burnell as schoolgirls in Burnie, circa 1910
Courtesy Lyons family



Enid Burnell on her wedding day, 28 April 1915
Courtesy Lyons family



Arriving in Melbourne for meetings with the federal Treasurer
in December 1923, Premier Lyons leaves the ferry from Tasmania
Courtesy Home Hill Museum, Devonport





Making an election broadcast for the United Australia Party, 1931

Courtesy Home Hill Museum, Devonport





Joe Lyons with sons Kevin and Brendan at home
at Barkers Road, Kew, 1931

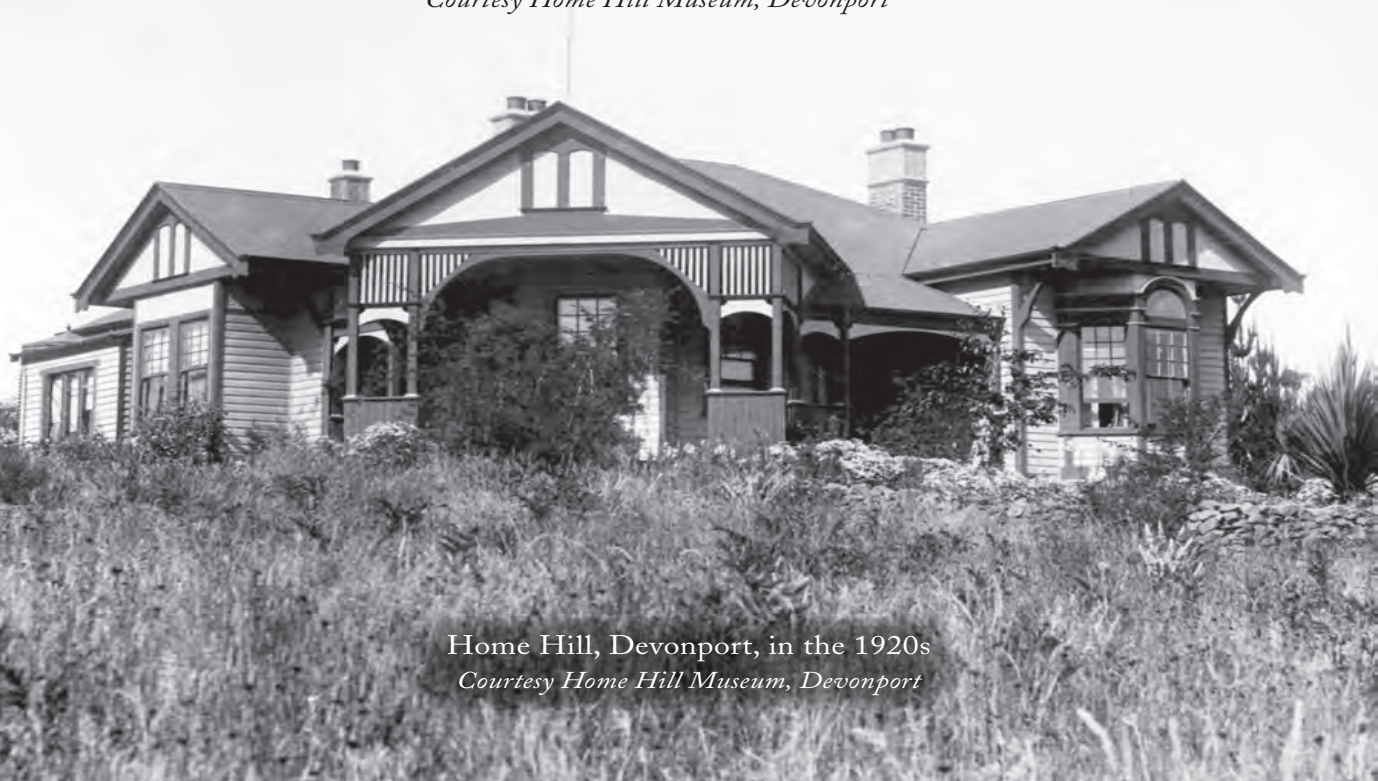
Courtesy Home Hill Museum, Devonport

< UAP leader Joe Lyons campaigns in rural northern
Tasmania for the 1931 federal election

Courtesy Home Hill Museum, Devonport



The Lyons family – ready for government, 1931 – l to r: Kevin, Moira, Enid (jnr), Joe holding Rosemary, Desmond holding Barry, Brendan, Sheila, Kathleen, Enid holding Peter
Courtesy Home Hill Museum, Devonport



Home Hill, Devonport, in the 1920s
Courtesy Home Hill Museum, Devonport



Campaign hiccups – changing a tyre on the road, 1931 federal election
Courtesy Home Hill Museum, Devonport



Joe Lyons greets supporters during the 1931 federal election campaign
Courtesy Home Hill Museum, Devonport



The electors of Wilmot congratulate their new UAP member,
Joe Lyons, December 1931

Courtesy Home Hill Museum, Devonport



The first couple – Prime Minister Joe Lyons and his wife, Enid, circa 1933
Courtesy Home Hill Museum, Devonport



Prime Minister Joe Lyons meets workers in Brisbane, circa 1933
Courtesy National Library of Australia, Canberra



The first UAP ministry, January 1932 – in the front row, Governor-General Sir Isaac Isaacs sits between Prime Minister Joe Lyons and Attorney-General John Latham

Courtesy Home Hill Museum, Devonport



Prime Minister Joe Lyons at Parliament House, Canberra, speaking to newsreel cameras, his prompt board assistant on the left of the picture
Courtesy Home Hill Museum, Devonport



Taking to the skies for the 1934 federal election, Prime Minister
Joe Lyons with his pilot, Charles Ulm (right)
Courtesy Home Hill Museum, Devonport



A royal visit to Australia, 1934 – l to r: Governor-General Sir Isaac Isaacs,
the Duke of Gloucester, Prime Minister Joe Lyons

Courtesy Home Hill Museum, Devonport



Prime Minister Joe Lyons with his private secretary,
Irvine Douglas, in the Canberra press room, circa 1934
Courtesy Fairfax Archive



Earle Page, leader of the Country Party, again Deputy Prime Minister after the 1934 federal election

Courtesy Fairfax Archive

In 1934 a new UAP ministry is sworn in, with Robert Menzies and Billy Hughes (front far left), Archdale Parkhill (front far right), Senator George Pearce and Richard Casey (behind Lyons), Senator A J McLachlan beside Sir Isaac Isaacs; soon after, Country Party leader Earle Page would force a coalition

Courtesy Home Hill Museum, Devonport





Australia's prime ministerial party aboard the *Otranto*, en route to London, February 1935

Courtesy Home Hill Museum, Devonport

Homecoming – in August 1935, after six months overseas, Enid and Joe Lyons are welcomed back by daughters Enid and Kathleen (holding baby Janice) and son Peter

Courtesy Fairfax Archive





Crossing the Pacific on board the *Mariposa*
in 1935, Joe Lyons takes a stroll on deck
with child movie star Shirley Temple
Courtesy Home Hill Museum, Devonport



As Prime Minister, Lyons enjoyed games of golf and
tennis while in Canberra

Courtesy Fairfax Archive



New Zealand Prime Minister Michael Savage and Australian Prime Minister Joe Lyons receive the Freedom of the City of London in 1937, watched by Sheila Lyons and Enid Lyons

Courtesy Fairfax Archive



Coronation celebrations –
King George VI meets with his
Dominion prime ministers, 1937
– 1 to r: Michael Savage (NZ),
Joe Lyons, UK Prime Minister
Stanley Baldwin, the King, William
Mackenzie King (Canada), James
Hertzog (South Africa)





A line-up for the Imperial Conference, 1937 – in the front row, UK Prime Minister Neville Chamberlain sits between Dominion prime ministers Joe Lyons and William Mackenzie King (fifth from left); in the row behind is Australian High Commissioner Bruce (fourth from left) and Australia's Richard Casey (sixth from right)

Courtesy Number 10 Downing Street, London



Joe Lyons, Australia's first flying prime minister, joins TAA air
hostesses for a photo opportunity, 1938

Courtesy Home Hill Museum, Devonport



Visiting Australian Prime Minister Joe Lyons
says farewell to England on 21 June 1937 as
he leaves by the Imperial Airways flying boat
Challenger for Amsterdam
Courtesy Fairfax Archive





Joe Lyons at the podium
in 1938 – he was always
able to take a simple
message to ordinary
Australians

Courtesy Fairfax Archive

The Lyons family at the Lodge, January 1938 – l to r:
Rosemary, Dame Enid, Moira, Janice, Peter, Kathleen,
Desmond, Brendan, Joe, Sheila, Barry, Enid (jnr), Kevin

Courtesy Home Hill Museum, Devonport



A weary Prime Minister Lyons in 1939 with members of Cabinet following the resignation of Robert Menzies, joined by Australia's High Commissioner to the UK, Stanley Melbourne Bruce
Courtesy Home Hill Museum, Devonport



Prime Minister Joe Lyons' body lies in state in St Mary's Cathedral, Sydney, 10 April 1939
Courtesy Fairfax Archive

11



Caucus wars

So long as it is generally believed in Australia that there is an unlimited market abroad for Australian goods, and that something will turn up, it will be difficult to face the realities of the situation.

Otto Niemeyer, the Argus, 22 August 1930

As tens of thousands watched legendary racehorse Phar Lap win the 1930 Melbourne Cup on Tuesday 4 November, the federal Labor caucus faced collapse into irreversible division and tumult before dysfunction as a government the following year. Phar Lap's three-lengths victory, on a wet day but with the sun shining for the main race, carried a favourite's odds at 8/11 that have never been matched in Cup history. It was a race to comfort a desperate nation – the ugly duckling yearling that had developed into a mighty champion, a horse that could put a win into the pocket of the most amateur of punters. And the horse that had appeared to have cheated death just a few days before his Cup win when, according to press reports, gangsters tried to shoot him. In spite of the turmoil, Phar Lap had

gone on to win at the Derby Day meet just hours later. Team Phar Lap knew how to win – focus on the prize and hurdle all odds to get there.

Federal Labor clearly hadn't heard this message. Just two days after the Cup, Acting Prime Minister Jim Fenton and Acting Treasurer Joe Lyons left a Canberra caucus meeting angry, troubled and on the verge of offering their resignations from Cabinet. Prime Minister Jim Scullin, in London at the Imperial Conference, where attendees would agree to the historic Statute of Westminster, was in constant touch with his deputies by cable and telephone. On being informed of his deputies' action, Scullin immediately cabled back his support for their position in caucus so that, at the next caucus meeting on 12 November, party hostilities temporarily abated. In fact, Labor was about to tear itself apart as the victim of party egos working to dominate the uncertainty, stress and dire social outcomes of international financial collapse.

History has not been kind to Joe Lyons. Because he was a Labor man who crossed to the conservatives, Labor historians have undermined his record or ignored it. Because he was an outsider in the conservative team from 1931, Lyons' time as United Australia Party Prime Minister would eventually be overshadowed by the formation of the Liberal Party in 1944 and the era of long-serving Prime Minister Robert Menzies. Neither Liberal Party nor Labor Party would claim Joe Lyons. His early death in 1939 left Lyons' achievements to be 'spoken for' by his talented wife Enid in her memoirs *So We Take Comfort* and in interviews about their life together. While authentic, well-researched and invaluable, such memoirs can also be viewed as defensive or self-serving by opponents. Following the events of 1931, Lyons' conservative colleagues believed that they had carried him in his first year or two on their side of the House; those among his former Labor colleagues who remained friends, like Ben Chifley and Jim Scullin, would never speak up for him publicly. Michael Denholm, in his thesis on Lyons, noted how Enid

Lyons had told him Tasmanian Labor MP Charles Culley had continued a friendship with Joe after he left the party but would only meet with Lyons in secret. So a picture has emerged of Joe Lyons as a sensitive, personable leader, very much the conciliator and vote winner, but not entirely suited to the cut and thrust of machine politics. Such a judgment, however, ignores many of the facts.

By 1930, Joe Lyons had been in politics for over 20 years as an MP, and far longer as a party member. He had administered Tasmania successfully for nearly five years, for just under two years as a minority government premier. He had withstood the bitterness of the First World War conscription debates that had split the Labor Party, and emerged from that a party leader. He had survived the sectarianism of the post-war years where his Catholic background undoubtedly stigmatised him in a state where loyalties to empire and Anglophile sentiment were strong. From this he emerged as premier of the state. His handling of Tasmania's financial crisis from 1923 had marked him out as a fine administrator in times of economic distress. And as part of the Scullin Government, Lyons had handled his job as Postmaster-General – responsible for a large army of employees as well as innovative technology – capably, albeit for a short period, and in lean times.

However, as he emerged into the national limelight during 1930–31, what Lyons did lack was a NSW cheer squad in the federal caucus. Ted Theodore and the Lang group had that, and in late 1930 their struggle for control of the NSW wing of the party and ultimately the federal caucus set Labor on a perilous, if short-lived, route. That Joe Lyons and five other Labor Party members chose to walk rather than stay in the caucus in early 1931 says more about the state of Labor politics at the time than any weakness in Lyons himself.

Until January 1931, Lyons did have Jim Scullin's support. And for some months from September 1930, it would be Lyons who took the brunt of the revolt in caucus over economic policy, from

late October fending off attempts by both Lang and Theodore to wrest national financial control from banker Robert Gibson and his advice from London. Following Ted Theodore's resignation to contest charges raised in the Mungana Mines inquiry in the first week of July 1930, Scullin had taken over the role of treasurer. But Scullin was also due to leave Australia on 25 August on a trip to Britain to attend the Imperial Conference.

In late July, Scullin had announced that, in his absence abroad, Jim Fenton would be Acting Prime Minister and Joe Lyons Acting Treasurer. In fact, owing to Scullin being ill from 15 August, Fenton and Lyons would stand in for him through most of the Melbourne premiers' conference, which began on 18 August. Their authority, however, was hamstrung by their roles as deputies. This was a fragile situation which the egos in caucus intended to exploit after Scullin left. In addition, Fenton lacked presence and acumen in general party and parliamentary procedures while Lyons was clearly caught by having to seek Scullin's endorsement at every turn, even though Lyons, like Scullin at this point, was convinced that orthodox monetary measures were the only appropriate policy. By November, however, it would be Lyons who carried the weight of Scullin's policy control and who was the deputy on which most authority rested. As he spoke in the House on 13 March 1931, Lyons opened up on the strain over those months of the Labor leader's absence abroad. His loyalty to Scullin had been paramount:

My colleague, the honourable member for Maribyrnong (Mr Fenton) and I had to put up with many things, and to bear many insults. But I held the fort, saying, 'I am going to hand back this trust to my mate just as I took it over from him' ... [and] I discharged these obligations at the cost of a certain amount of mental suffering and strain. I remained loyal to the policy of my leader.

Niemeyer's Melbourne agreement

On 4 and 8 August 1930, Cabinet approved Scullin's wish to renew Robert Gibson's term at the Commonwealth Bank. Scullin had quite clearly decided to support the orthodox economic policy demanded by London, enraging many among Labor's radicals. Scullin's preference for reappointing Gibson was no doubt partly to appease London. It was further encouraged by the arrival in Australia on 14 July of Otto Niemeyer, a financier sent from London to report on Australia's financial situation. That Scullin had not put the issue before caucus made the reappointment of Gibson even more controversial within Labor. A report in the *Argus* on 9 September, after Gibson's reappointment had been made public, noted that at a local meeting federal NSW Labor MPs had condemned the reappointment, saying that 'Cabinet had violated an assurance' to the federal caucus that Gibson's appointment would not be renewed.

In *Labour and the Money Power*, Peter Love argues that Australia was in severe financial difficulty well before the crash on Wall Street: 'a high level of debt on the London money market, combined with a heavy reliance on rural commodities for foreign exchange, made it hypersensitive to overseas conditions'. Without new sources of finance, by late 1929 the Scullin Government had a credit crisis of huge proportions on its hands. And the London banks were increasingly suspicious of the true state of Australia's position in regard to repayment of money owed. Shipments of gold continued from Australia, but they were not enough. The Bank of England was concerned that these gold shipments had been made while the issuing of notes had not contracted. J B Were & Son's Staniforth Ricketson, in his diary on 13 March 1930, recorded a briefing he had with Robert Gibson, who was clearly in close contact with Treasurer Theodore and greatly disturbed by the growing antipathy of the London markets to Australian debts. As Gibson put it, the gold shipments were 'over and above that which was required' but he

hoped both Commonwealth and State governments would be able to repay the bank in 'two or three years' – although he could not see the future 'beyond June' that year.

Peter Love notes a cable on 7 April from Sir Ernest Harvey, deputy governor of the Bank of England, to Robert Gibson asking for a 'fully informed' representative to come to London to brief the bank on the situation. Australia's high costs of production had the Bank worried. Some things did not add up. On 7 May, another cable from Harvey to Gibson suggested that perhaps London should send its own representative to Australia to assess the matter for itself. Gibson agreed with Harvey but left it to London to approach Scullin through the Australian High Commission. Scullin, not wanting to do anything that would sever a good working relationship with London finance, invited the UK to send someone to report directly on the Australian financial situation. Sir Otto Niemeyer was chosen. Gibson's influence over the visit to Australia of a UK financier is clear in Staniforth Ricketson's diary entry for 25 June 1930. Gibson told Ricketson that he 'had arranged everything', and chosen Niemeyer from a list of names given him by the Bank of England. Theodore had been shocked when Gibson told him this. Niemeyer was a former Controller of Finance with the British Treasury and had worked with the Bank of England on central banking procedures and problems of national finance. Niemeyer left England for Australia on 18 June.

Views on banking and finance in Australia had divided sharply between two opposed tangents. Radical labour, such as Anstey and Lang, saw the Commonwealth Bank and its chairman, Robert Gibson, as an arm of money merchants who were hell-bent on bleeding the little man to get through their self-imposed crisis. Government, these advocates believed, should stand up to the money power and expand credit to save jobs and provide relief for working-class families.

For others, like general manager of the Bank of New South

Wales Alfred (A C) Davidson, the idea of cutting the currency's connection with gold at the end of 1929 had been a great error, although a letter from Davidson to Joe Lyons on 29 October 1931 indicates that he had changed his mind somewhat on this and monetary policy generally, writing that the 'severance of the Australian pound from sterling' had been an advantage at a 'critical juncture', helping to maintain prices and giving 'an advantage to exporters'. Davidson was also a strong critic of the Scullin Government's attempt to change the role of the Commonwealth Bank through the Commonwealth Bank Act Amending Bill, whereby the bank would have divided arms – a central Reserve Bank alongside a bank that was free to compete with the private banks. The legislation was introduced to the House on 2 April 1930 to a muted response, but by its second reading stage in July it was being strongly opposed by the Nationalists, who had come around to Davidson's position. A C Davidson saw the concept of a Reserve Bank as a way of Labor introducing 'a machine for manufacturing notes and credit, regardless of the consequence', as quoted in Peter Love's *Labor and the Money Power*.

Davidson reflected much of the thinking in circles that distrusted Labor to manage an economy. In his letter to Lyons in October 1931, Davidson acknowledged the input of Australian producers who 'aided by better seasons, kept up the purchasing power or command of the Australian pound over commodities'. The real rot, as he saw it, came with the election of Lang in New South Wales in October 1930, after which he observed 'a campaign to place control of the currency and of banking in political hands ... [and] the demand for sterling grew to dimensions that betrayed a desire on the part of many to place their capital in what they deemed a financially healthier climate'.

The effect on Scullin of Theodore's resignation and the added workload he assumed as treasurer at the time of the federal Budget in 1930 took its toll. The Budget created uproar. It included a new

sales tax, income tax increases, and a rise in customs and postal charges. With Scullin too sick to attend the meeting with London's man, Joe Lyons and Jim Fenton took charge of the Melbourne conference of states as Otto Niemeyer addressed the premiers.

Otto Niemeyer was an experienced and worldly financier with a job to do. His task was to make an honest examination of Australia's financial situation for the benefit of bankers in Britain, where Australia had borrowed heavily and where there was great doubt that Australia would be in a position to either refinance or repay such loans. At a time of credit crisis, financiers quite justifiably wanted to know how safe their investments were. Niemeyer's other task was to advise the Australian governments of their true position in relation to foreign debt and to get their assurances that the policies they were following would continue to guarantee Australia as a reliable borrower. His advice to Australia's political leaders was important: to avoid bankruptcy, Australia would need further loans over time.

Niemeyer, however, adopted a high-handed and insouciant tone in his dealings while in Australia, writing in his *Australian Diary* on 20 August, as published in *Historical Studies* (vol. 20, no. 79) in 1982: 'I told the Conference I wished to make it quite plain as to the capacity in which I attended. Neither I nor the Bank of England had any direct interest in the matter whatever and were merely there as Advisers.' This, of course, was not true. Niemeyer's visit had been the idea of Sir Ernest Harvey at the Bank of England back in May (with Robert Gibson's help), and had been cautiously engineered to appear as if Scullin had originated the invitation. The Bank of England was worried at Australia's growing indebtedness. All of this was reflected in the straight-talking address Niemeyer gave to the premiers and federal leaders at the opening of the Melbourne premiers' conference on its first day.

Diverse opinion on the Niemeyer visit has been recorded over decades. The Labor left were revolted by it, while moderate Labor, like Scullin, saw it as the only way to appease the British financiers

who were fundamental to Australia's survival. Writing in 2006 in *Giblin's Platoon*, William Coleman describes Niemeyer's visit as 'a 1930s version of an International Monetary Fund "mission" to a developing country in financial crisis, but without the capital injection'. There is truth in this, but, with the plight of modern Britain, Ireland and Greece from 2010, the Niemeyer prescription still has much validity, however unpleasant and insouciantly it was put in Australia in 1930.

Niemeyer pulled no punches in his directions to the Australian Government and the states, even managing to refer deprecatingly to the 'natural optimism of the Australian' – an optimism that he thought did not help solve the nation's economic problems. The picture he drew of Australia's crisis in maturing loans and its need for ongoing credit at a time of credit crisis was alarming, and the list of figures he gave were deadening in their amounts; he drew a picture of a country fat on easy money and protection where a lifestyle had grown out of all proportion to its income. There was an urgent need to balance budgets – or at least aim to balance budgets. The full text of the speech can be found in Shann and Copland's *Crisis in Australian Finance 1929 to 1931*. As the Niemeyer statement to the conference was released to the press on 21 August, the premiers and federal leaders also advised that a 'Melbourne agreement' had been drawn up accepting Niemeyer's advice. Australian governments would end the borrowing and work to balance their budgets.

Even as the agreement was rolling off the presses, however, a special conference of unions and the ALP was meeting in Sydney, accepting a motion for a five-year moratorium on overseas interest payments, repudiation of all war debts, and central bank credit for industry stimulus, work relief and the unemployed. Opposition to Niemeyer was full and strident inside sections of the labour movement. Months later, Jim Fenton was forced to give a comprehensive explanation to parliament, as reported on 15 November by the *Argus*, of why and how the Niemeyer visit came about. It happened, clearly,

under pressure from London, with Australia having little choice in the matter. 'The Bank [of England] felt that any future action [read "loans"] on its part would be made easier by its sending to Australia a person in its confidence to study the situation and to discuss with the ministry its views,' Fenton explained. In the parliamentary debate over the financial measures which Joe Lyons announced as a result of the Niemeyer visit and the premiers' conference, Labor MP Jack Cusack called Niemeyer a 'financial cormorant'.

Immediately following the Melbourne agreement, on 22 August, Joe Lyons sent off a cable to the Australian High Commission in London, giving a detailed three-page summary of the economies the premiers and federal government had agreed to, adding that after the conference a meeting of the Loan Council had 'reduced the loan program for the current year to fifteen millions'. This instantly restored Australia's creditor standing in London, with the announcement of a £5 million Commonwealth Treasury bill issue for a conversion of a loan in Australia maturing on 2 September. Lyons told the press from his home in Devonport on 26 August that he had 'given the authority for the matter to be proceeded with at once'. Confidence in London about Australia would be temporary, as there would be no agreement over Niemeyer within federal caucus. News of the revolt among Labor MPs sent Australian stocks back down. As Lyons had hinted to Niemeyer in his 'asides' (what Niemeyer called them in his diary), without careful selling of the merits of orthodox policy, no amount of agreement by the premiers would convince many in the federal caucus of its necessity. Lyons could see what was coming.

From the time of the announcement that Otto Niemeyer would visit Australia, the radical labour press had enjoyed a field day mocking the sinister figure this man embodied for them. Under the incorrect assumption that he was Jewish, Anstey's 'Shylock' metaphors abounded in the caricatures of print and picture. Bede Nairn in *The 'Big Fella'* described Jack Lang as also suffering the misconception that Niemeyer was Jewish, so that 'his references to

Niemeyer ... were always accompanied by a special twist to his snarl, an extra rapidity to his swinging hands and stabbing fingers, and a conspiratorial tone to his staccato delivery'. In 'Frank Anstey and the Monetary Radicals' in *Australian Financiers – Biographical Essays*, Peter Love summarised how this played out:

Niemeyer was depicted as the embodiment of the Money Power, the bailiff from the Bank of England sent to repossess Australia so that the London Shylocks could have their pound of flesh while the unemployed, war widows and their children were plunged into destitution.

Joe Lyons was always a strategic player. His style, in fact, had more in common with political players more than half a century later. Had he belonged to a world decades into the future his expertise in politics would have been more readily understood. As Scullin prepared to leave Australia, Lyons and Fenton faced the task of steering a fractious Labor caucus to accept the Melbourne agreement. Even while conference leaders and Niemeyer argued the release of details surrounding the conclusions of their discussions, Lyons was preparing for the outcome in Canberra. Niemeyer noted in his diary on 20 August that 'Lyons in particular raised the question that it seemed that the Conference were merely adopting my suggestions. I promised to consider the form, to which I attached no importance.' Another entry in his diary suggests, however, that Niemeyer did care and had put pressure on Lyons and Fenton to stress his particular importance to the agreement. In his diary, Niemeyer noted that with his seal on the report of outcomes from the conference the London market would be more readily assured.

The importance for Lyons was much closer to home. He knew that many in the Labor Party were about to pounce on the outcomes of the Melbourne meeting. For it to appear that Niemeyer had pulled all the strings would not help get the outcome Niemeyer wanted. Lyons was being strategic in a way Niemeyer could not

conceive. And Lyons would be proved right. With Scullin's input, the entire Niemeyer statement to the conference was published – its message to Australians, as Peter Love described it in *Labor and the Money Power*, fundamentally that 'Australia's only hope of salvation lay in a return to its traditional role within the imperial orbit'. The economics of the message was not something Lyons disagreed with, but he could see that, handled without sensitivity, the political message would be counterproductive. And it was.

In later discussions with Lyons, after an advisory committee (of which Lyons was a member) had been formed to deal with the operation of the conference agreement, Niemeyer noted again how Lyons had requested that he not attend one of the meetings as 'he [Lyons] was afraid of criticism from his own people that he was acting under dictation'. The tenor of the diary entry is to make Lyons look weak. In fact Lyons was being perfectly sensible. It might have delivered a dent to Niemeyer's pride to be asked not to attend the meeting but there were, for Lyons, more important issues at stake. If the Melbourne agreement accepting Niemeyer's advice was to be implemented, Lyons needed to sell it to the federal party.

Niemeyer's diary contains many offhand digs at locals he met while in Australia. Lyndhurst Giblin was 'pretty disappointing', the president of the South Australian Trades Hall was 'a nervous youth, crammed with undigested economics ... not much of a creature but also not vicious', industrialist William Baillieu 'to lunch: hum' and E D Ogilvie, who owned a large sheep station near Inverell and was worried about wool prices, was summarily dismissed as 'though intelligent did not strike me as a very well balanced person'. Niemeyer was quick to judgment, often after bare first impressions. So it was not surprising that in his notes on Fenton and Lyons at the Melbourne premiers' conference he found them 'entirely at sea, and like a couple of rabbits popping their heads occasionally out of the hole'. What Niemeyer had no understanding of – nor wanted to – was that both men had been instructed to check with their bedridden

prime minister for his opinions, whether by telephone or by a visit to Scullin's house in Park Avenue, Richmond. At the same time, the two deputised leaders were sitting on a hornet's nest in the form of a divided caucus to which they must present the decisions taken in Melbourne in order to get its approval. All this while their elected leader, lying sick in bed, was about to embark for the UK. He would not return for five months. Scullin's travel plans were seen by many to be the act of an incompetent captain deserting his sinking ship, even as he chaired his last Cabinet meeting, with the Commonwealth Bank's Robert Gibson present, propped up on pillows in his bedroom, before leaving for Fremantle by train.

Niemeyer's diary ends on 23 October after he had spent days at leisure travelling the east coast of Australia. He would actually leave Australia on 13 November, making somewhat defensive statements to the press that his visit had been in no way political and that it was Australia that had invited his representation from England. The statement was laced with political spin. Niemeyer again stressed that the Bank of England had 'no interest in Australia', which was quite untrue. It had been for Niemeyer a very pleasant time Down Under, including a visit to New Zealand, sightseeing, staying with wealthy hosts and golfing; monetary matters were far from his concern after the premiers' conference. Meanwhile, in Canberra, Lyons and Fenton had faced revolt in caucus and Jack Lang had begun his election campaign in New South Wales from 22 September, calling on voters to turf out of office Premier Tom Bavin, who was campaigning in support of Niemeyer's Melbourne agreement. Two days after Niemeyer's Australian diary entries closed, Jack Lang won the NSW election.

The aftermath

From 2 September, as the bedridden Scullin, on the high seas and moving towards London, hoped to persuade British bankers

Australia was no risk to investors, Jack Lang and four of Scullin's federal ministers were hell-bent on undermining everything Scullin did. On 2 September, at the first Cabinet meeting with Acting Prime Minister Fenton in the chair, just seven ministers attended. Unsurprisingly, around this time there were press reports that Canberra was often left without any government ministers there at all. From leaks to the press after the Cabinet meeting on 2 September, the *Sydney Morning Herald* reported that ministers Frank Anstey, John Daly and Jack Beasley opposed Joe Lyons' recommendation that parliament meet quickly to accept the resolutions of the premiers' conference. Lyons had figures on expenditures over the previous two months that were far worse than estimates and advice.

Lyons and his advisory committee believed parliament needed to convene quickly to decide the economies required under the Melbourne agreement. Anstey, Daly and Beasley instead proposed an expansion of credit by inflating the note issue, a proposal which would overturn the entire Melbourne agreement. It was a clear challenge to any authority Fenton and Lyons might have. Anstey and Beasley had also conferred with Robert Gibson (without success) in Sydney the day before at the Commonwealth Bank where they had put before him the ALP executive's demand that the Melbourne agreement be repudiated. The 2 September Cabinet meeting ended with no resolution.

Cabinet met again, on 5 September, with the *Sydney Morning Herald* reporting that unless it was agreed not to decrease public service salaries, NSW MPs would press for a Cabinet reshuffle with the aim of gaining an extra NSW position to replace Theodore, and for Curtin (a favourite of NSW MPs), Gibbons and Cunningham to replace Green, Fenton and Lyons. Undoubtedly this was leaked to the Sydney press to exert pressure on the leadership, but it also revealed a ministry in crisis, with NSW federal Labor MPs determined to take control. Joe Lyons and Jim Fenton, now facing open revolt, implored Robert Gibson to attend the 5 September Cabinet

meeting where he spoke with ministers for over three hours. As the *Sydney Morning Herald* reported, 'Ministers who had previously appeared to be unconvinced [about economies] admitted that drastic action was necessary.'

A few weeks later, Jack Lang opened his election campaign with a three-hour harangue to the party faithful, attacking the Niemeyer proposals and even accusing his opponent, Premier Bavin, who supported the Niemeyer doctrine, of advocating 'repudiation' in his failure to honour his 1927 election promises. Bede Nairn in *The 'Big Fella'* gives the best account of the heady atmosphere of Jack Lang's 1930 campaign, replete with Lang's disingenuous rhetoric to woo voters on his fantastic proposals to end the monetary crisis. Lang turned Niemeyer into a sinister image of alien control over Australia's citizens. He promised to overturn the Niemeyer medicine and restore prosperity to all. The *Sydney Morning Herald*, on 23 September 1930, was forced to predict: 'If the electors accept this offer of gold bricks at proffered value, then experience holds in store for them disappointment of unimagined bitterness'.

Cabinet eventually struck a compromise deal over the recall of federal parliament at a meeting in Canberra over the first three days of October, when the proposals to balance the federal budget were agreed to and it was decided that parliament would meet on 30 October, after the NSW election. On 13 March 1931, as Lyons made his statement to the House in which he announced his resignation from the Labor Party, he reflected on the impasse of the time with government unable to govern effectively or even to recall parliament during the NSW election:

We could not get a meeting of Cabinet. Cabinet Ministers were engaged in another state in an election campaign. The members of the party, like the Cabinet Ministers, would not agree to meet until the New South Wales election was over. It was said: 'We must get Mr Lang back and then everything will be alright in

Australia' ... Well Mr Lang is back, but everything is not yet quite alright in Australia ... Mr Lang is in control in New South Wales and four of his followers are actually in control of the Government here.

Such was the power of the NSW Labor leader and the dysfunction of federal Labor in the latter part of 1930 that a NSW Labor opposition leader could pull the strings in the federal caucus.

Lang's win in New South Wales increased Labor's dysfunction as his supporters gained status in federal caucus. It also changed the party's dynamics. NSW voters clearly were persuaded that the Niemeyer economies were too hard to bear – they wanted an easier way out. Like a modern-day Newspoll, the vote in New South Wales sent a message to Canberra. Ted Theodore, hoping his ambitions in federal politics would soon be on track again, also got the message. After the NSW election, he resurfaced in the caucus.

Jack Lang's victory on 25 October 1930 determined the Scullin Government's course thereafter. When federal caucus met in Canberra on Monday 27 October in advance of a new parliamentary session beginning on Wednesday 30 October, the Labor landscape had changed. Ted Theodore was now in attendance and Jack Lang's federal MP supporters were in triumphant mood. Theodore needed something to make his presence in New South Wales significant, especially if he was to retain his numbers there. Lang was clearly on a winner against the Niemeyer proposals. The state of play had been shaping up over some weeks. Theodore was still caught by the Mungana Mines inquiry but was now no longer required at the Queensland hearings, allowing him a chance to plot his way back in Canberra. His focus on federal caucus meant regaining the support of the NSW members. But Theodore needed a fresh approach to the financial and political crisis, one to oppose the orthodox theories he had so far supported.

A plan for recovery

As caucus struggled with how the government should respond to the growing social disaster, so too did economists. Thinking among Australia's leading economists had been reasonably united until the onset of the most severe consequences of credit crisis and downturn now known as the Great Depression of the 1930s. There was no precedent in modern times for what was occurring and consequently no plan for recovery. But the consequences of the global financial meltdown soon hit home, with 28 per cent of registered trade unionists unemployed and poverty on the streets of Australian cities and towns in numbers never before seen. The effect was two-fold. Popular thinking among the left – such as that around Lang Labor – was ready for a battle with capital, something that had been brewing within sections of Labor for two decades. Another response was a reaction to radical, even revolutionary, anti-financial rhetoric – building slowly in late 1930 but becoming forceful with the success of Lang – among those middle-class Australians who believed in 'sound money'. The clash was inevitable. Among economists, this clash also had its effects.

Joe Lyons related to the House on 13 March 1931 how the government had consulted widely about financial matters in the face of the credit crisis – especially after the visit of Niemeyer. As Lyons put it: '[We] called into consultation men who were competent to give opinions and advice on the subject – men who were prominent economists and unbiased in their opinions. These men were not Tories or Conservatives.' Those government consultations involved leading economists Lyndhurst Giblin, Douglas Copland and Jim Brigden, who had all worked together in the 1920s at the University of Tasmania. There was also Edward Dyason, an engineer and stockbroker, whom Bruce had asked to advise on the Arbitration Court and Scullin had asked to advise on tariffs. In *Giblin's Platoon*, William Coleman gives a comprehensive account of how these men

influenced 1930s and 1940s economic policy, as does Alex Millmow in *The Power of Economic Ideas*.

Harsh social reality washed away many economists' theories during 1930, and they became divided on how to handle the effects of the Depression. By mid-1930, both Brigden (in *Escape to Prosperity*) and Giblin (in his *Melbourne Herald* 'Letters to John Smith') were working to educate the public on the need for a reduction in wages. But such economists were also opposed to the higher trade barriers that the Scullin Government was fixed to.

Economic advisers to the government were increasingly despairing about answers to the economic crisis. Being Labor followers did not help. Giblin's letter to Lyons (1 September 1930) gives some hint of the problem: 'From the economists' side, I don't think we have anything of a plan to offer ... I don't think we see light on the whole problem ... I think you are our last hope.' Giblin, recalling Lyons' period as Tasmanian Premier, was hopeful Lyons would be pragmatic enough to find a way through. Unfortunately, it was not as simple as 1925 in Tasmania. Giblin, Copland and Dyason's *A Plan for Economic Adjustment*, submitted on 18 September 1930, called for a cut in real wages and the suspension of all awards as a way to combat unemployment. Lyons would argue, as he fought his opponents in caucus, that a cut in wages for those employed was a fair outcome while many had no wage at all. By lowering the cost of hiring, more might be employed.

These economists also wanted a devaluation of the Australian pound. In a letter to Lyons on 4 September 1930, Ed Dyason told Lyons that he disagreed with 'the implications (as affecting policy) contained in Sir Otto Niemeyer's statement' adding that 'the present policy is inimical to the national interests and dangerous to the social fabric'. These ideas were tagged 'reflationist'. But Scullin rejected such revisionist thinking when Lyons presented it to him. In his cable on 5 November, Scullin was clear in his rejection of any suggestion of expansion: 'All this talk about creating credit and

inflation is most damaging, and will seriously prejudice the conversion of maturing loans and Treasury bills.' Opposed to Giblin and company were the 'deflationists' – Jim Brigden, Edward Shann and Leslie Melville.

As C B Schedvin argues in *Australia and the Great Depression*, 'The full impact of the fall in export prices and the cessation of external borrowing was not felt until the latter part of 1930 ... [when] taxation was rapidly increased; loan expenditure was reduced to one third of its pre-depression rate; rural incomes fell heavily ... and private fixed capital expenditure was cut to a fraction of its pre-depression level.' The crisis unfolding for the private banks in late 1930 was such that Alfred Davidson at the Bank of New South Wales, with the support of the private banks, prevailed on the Loan Council to accept a scheme – known as the Mobilisation Agreement – for more flexible rates of exchange against sterling. The way was open for some shift in the more moderate Labor MPs.

Caucus marathon

Caucus did not meet between 6 August and 27 October. At the four-day caucus meeting from 27 October, government policy around Niemeyer came under assault. The caucus meeting began, significantly, by passing a motion to congratulate Lang on his victory in New South Wales. Theodore had returned to Canberra for the first time since stepping aside from the Treasury position. The meeting began at 3 pm, broke for dinner at 6 pm, resumed at 7.30 pm and adjourned at 10 pm for resumption the next morning. Over the next two days, caucus met from 10 am until the late evening. By the final day, its members exhausted and its radicals happy, Niemeyer's plan was in tatters.

Early on the first day of the caucus meetings, Lyons addressed the party room on the government's position in the wake of the Niemeyer visit. He outlined economies that had been agreed to by

the Prime Minister, on behalf of the government, and the premiers back in August. Following heated discussion of that report, Jack Beasley of the Lang group eventually moved, with Dr William Maloney as seconder, that 'this caucus disagrees with the Tariff and Industrial Policy initiated by Sir Otto Niemeyer in his address published at the conclusion of the Premiers conference in Melbourne, and affirms that the Tariff and Industrial Policy of Australia are domestic matters to be determined by the people of Australia.' The motion was carried. But the fight was just beginning.

Over four days, 40 agitated men argued in the confined space of the government party room in what is now Old Parliament House, the fate of a nation hanging on the muffled noises coming from behind closed and padded doors. Tempers were frayed, debate heated and the machinations barely disguised. Lang's supporters were readying to take control. But as Schedvin has noted, increasingly Theodore recognised that, with Scullin away and a weak deputy in Fenton, it was Lyons who was emerging as the real leader of the government. As caucus haggled, Theodore quietly waited for the moment to make his mark on NSW. Warren Denning in *Caucus Crisis: The Rise and Fall of the Scullin Government* has written of this period that 'so terrific became the tumult at times that all Parliament House was aware of it, although there were double and padded doors separating the party room from the lobbies'. It was around this time also that Joe Lyons wrote of his troubles to Enid, then living in Tasmania with no phone contact to the mainland: 'I suppose I'm in for a strenuous day or two ... I've been terribly blue lately and I wish I could lay my head in your lap.'

On the second day of the caucus meeting, the Member for Werriwa and Langite Hubert Lazzarini moved a motion (again seconded by Maloney) to force the Commonwealth Bank to take up the £28 million loan falling due in December. In response, Lyons moved an amendment to retain government policy. But this was overtaken abruptly by an amendment moved by George Gibbons and

seconded by Ted Theodore which outlined a detailed and expansionary plan to tackle the financial crisis. It has been argued, especially by Schedvin, that Theodore was the actual author of this 'plan' and that he had become a fan of expansionist theories put by academic Bob Irvine, who had taken up Sydney University's first Chair of Economics in 1912. The Gibbons amendment advocated that the Commonwealth Bank finance all government 'services covered by Parliamentary appropriations', meet all internal loans maturing in the coming financial year, provide £20 million for Commonwealth and state loan works programs, assist primary and secondary industries as needed and provide loans at interest not exceeding five per cent per annum. After another two days of heated debate, the Gibbons amendment was carried and Joe Lyons' motion defeated. He did win one small victory when caucus voted for public service salary cuts to be at the same level (fifteen per cent) as cuts for MPs. In a bitter irony, in the closing moments of the four-day marathon, a motion was carried unanimously, expressing 'its appreciation of the services rendered by Mr Fenton, Actg. Prime Minister, Mr Lyons, Actg. Treasurer & other members of Cabinet'. But it was not over yet. Lyons had another, desperate, hand to play. He cabled Scullin.

When caucus met again on Thursday 6 November, Lyons read from Scullin's cable in reply. Scullin was not happy that further economies had not been agreed to. And the Prime Minister strongly supported the Lyons view against the Gibbons amendment. Scullin also condemned the caucus decision for causing 'men here [in London] to withdraw their money from Australia'. In caucus, Lyons then tackled the matter of the £28 million loan falling due in December, outlining the options the Loan Council would offer investors. Loan conversions, or the need to renegotiate credit as repayment became due, would be a major problem for the Australian Government over the years of the Great Depression. With credit dried up or very tight in London, the government was faced with pushing the debt onto local banks, already stretched, or

raising investment from local investors through the offer of government bonds at a time of financial austerity. In the matter of the £28 million loan, Lyons advised caucus that he had spoken to Robert Gibson, who had rejected the idea that the Commonwealth Bank should underwrite the loan. In relation to the Gibbons amendment, Lyons suggested that it would be appropriate for Cabinet's meeting with the board of the Commonwealth Bank to include all ministers. The response was robust, with many objecting to Lyons' position. John Curtin upped the ante by moving an amendment to require the Loan Council meeting to be held over until all ministers had met with Commonwealth Bank directors. At that meeting, ministers would instruct the Commonwealth Bank directors to meet the £28 million loan or tender their resignations.

To this Frank Anstey recommended that a Bill should be passed by parliament to renew for a year the loan due in December. Curtin's amendment and Anstey's recommendation were carried. However, as the *Herald* reported on 7 November, Theodore did not vote for the Anstey recommendation. In *'Red Ted': The Life of E G Theodore*, Ross Fitzgerald argues that this was because Theodore also realised that to go along with the motion would 'raise grave doubts about the Australian government in world money markets ... [and] he wanted to offer Fenton and Lyons an olive branch so that disunity did not spread too far before Scullin's return'. Fenton and Lyons immediately declared to the meeting they would 'consider their position'. As they saw it, caucus had chosen repudiation of the debt. The gloves were off.

The caucus meeting ended at 7.55 pm. Lyons just had time to cable Scullin in London and Enid in Devonport before making the night train to Melbourne. He left Parliament House amid heightened speculation that he had resigned from the ministry. As Frank Green records in *Servant of the House*, Lyons' parliamentary colleague Albert (Texas) Green chased after him in a car arriving on the platform as the train pulled out. Green shouted at the carriage,

‘For God’s sake, don’t do it Joe!’ In Melbourne next morning, Lyons was mobbed by reporters at Spencer Street Station. He took a cab to the docks to catch the ferry to Tasmania. On board, he told reporters he would await his leader’s response to his cablegram. If Scullin supported the Curtin resolution, Lyons would resign. British newspapers had already reported that Lyons had resigned, and Parker Maloney, Minister for Markets and Transport who was with Scullin in London, had woken Jim Fenton at 2 am on Friday with a phone call to check the facts.

When Lyons reached Devonport on Saturday morning, a cable from Scullin greeted him. The Prime Minister had given Lyons his full support. It was an excited family who welcomed Joe home. Lyons spent that weekend in Tasmania. In the Home Hill dining room, Enid Lyons poured tea for visitors, at times waving a large teapot, as one journalist described it, while speaking of her unwavering support for Joe whatever he had decided. Then it was back on the ferry to Melbourne for the Acting Treasurer, and to Canberra, to face a much chastened caucus. Many MPs had begun distancing themselves from their vote for the Anstey amendment and saying they had never intended to vote for repudiation. Whatever the truth of their change of heart, Lyons had asserted his authority and the next few weeks would establish him as a significant national figure.

12



Exile

I realise today my position is serious. I will be taking a step in regard to the vote on this motion which, according to the ruling of the Federal executive of the Australian Labor Party, will automatically place me outside the party.

J A Lyons, 13 March 1931

Myths abound in politics and the lives of heroes. No less with Joe Lyons, especially in his split with Labor which took place amid great turmoil for the Scullin Government in its war with Jack Lang. Such was the emotion at the time, even friends of Lyons recorded some events more dramatically than they played out. Frank Green has written that Lyons effectively left the Scullin Government after the caucus row on 6 November 1930, and did not attend Cabinet meetings from that time on. Warren Denning has repeated the claim in *Caucus Crisis*. But this was not what happened. Records show that Lyons attended Cabinet until 25 January 1931 when Scullin was again present, having returned to Australia in the first week of January. During the caucus meeting which took place the following day,

Lyons was among the nineteen caucus members who voted against Theodore being returned to the Cabinet, with twenty-five voting for his reinstatement, and was there again on 18–19 February to vote against Theodore's financial proposals.

In Scullin's absence abroad, Lyons and Fenton had held the fort in precisely the way Scullin had instructed. It had been a struggle to keep faith. Lyons wrote out his angst in occasional letters to Enid, especially in one powerful (undated) letter where he admitted to wanting it all to end as he waited for word from Scullin: 'We expect a wire from Scullin tomorrow as to what he supports. If he is with us, the majority in Cabinet is set. If it isn't, I'm getting out.' He told Enid how 'blue' he felt, and how much he would rather be with her and the 'kiddies'. He wrote of his visits to St Francis Church in Melbourne ('wonderfully soothing to get within the atmosphere of the altar') and of his support from Fenton ('the old man') who would not let their stand against the caucus radicals go unsupported from the top. This letter is often quoted to illustrate Lyons' softer side – and to suggest he had poor tolerance for the pressure. In fact, it offers quite another insight. Lyons could express his feelings quite frankly to Enid – and on paper, as a phone connection from the mainland to Tasmania only began after 1936. A very modern attribute for a male in the 1930s. But the letter reflects no surrender in his political stance. After the 'download' he gained strength to stage coolness once again – an art essential to public life survival. Enid was a sounding board, not a driver. She gave counsel but only in response.

In the first part of this letter to Enid, Lyons poured out his frustrations. He was lonely, almost beaten. Then a letter from her arrived as he was writing, laying out her own hard times in Devonport, managing as a single parent, lonely, with illness and surrounded by dependent children. He focused instantly and with sympathy in his response; he had been selfish to complain of his own situation. Before he had ended the letter, he received good news from Scullin.

He cheered up at that, finishing on a positive note ‘with another message of love to the sweetest and best in the world. Kiss all the Kiddies for me.’ The following day he returned to the grind of political life as he had always known it.

Conservative friends

The rift between the more radical voices of caucus and the acting leaders did become an open wound from around the time of the caucus dispute over how to handle the £28 million loan due in December 1930. The decision by Lyons and Fenton to convert the loan (renegotiate credit) on the market made Joe Lyons a pariah with many in caucus. Such members wanted to take on the Commonwealth Bank over its deflationary approach. While Lyons was riding out problems by going around the issue of more government control of the banks or note-printing, they wanted to confront the directors of the Commonwealth Bank to force credit creation for public works employment and unemployment relief.

Against all the odds, however, the loan conversion undertaken in November–December 1930 was an outstanding success, even with the bonds offering lower rates of interest than regular market yields in a time of financial downturn. The conversion was so successful in the end, and oversubscribed, it became a Lyons moment. C B Schedvin wrote of Joe Lyons’ voice becoming ‘as well known as those of radio announcers’.

Banks and businesses got behind the campaign, and employers opened accounts so their employees could take up £10 bonds to be purchased in deductions from weekly wages. Through stock-broking houses, such as Staniforth Ricketson’s J B Were and Son, wealthy clients subscribed to the loan. Ricketson’s diary entry for 9 December 1930 notes his advice to Robert Gibson that a Mr Stock would ‘put in another half a million to the Commonwealth Loan if he could be assured of the necessary financial assistance’. And

J B Were and Son would not be taking a commission. Newspapers lapped up income from the vast array of advertisements, supporting the campaign, placed in local broadsheets. The Commonwealth Bank advertised the conversion of Commonwealth Loan fund as if it were a test match, creating the phrase 'a bond of honour'. Patriotic appeals rang out for weeks. The campaign culminated in an 'All for Australia Day' on 12 December 1930, with Lyons asking that all Australians do their Christmas shopping on that day when many businesses had promised to subscribe the whole of their day's takings. That day, Lyons addressed a large rally in Melbourne, speaking with former Nationalist federal treasurer and Hughes' rival William Watt. Lyons' message, as published in the press ads, read: 'Never since the dark days of the war has Australia been faced with such a critical position, never has there been more urgent need for a spontaneous outburst of patriotism.'

In a huge advertisement in the *Argus* on 12 December for the monster rally in the Melbourne Town Hall at 1 pm that day, 37 leading citizens listed their names in support of the action. They included all state premiers (with the exception of Lang), along with Joe Lyons, Jim Fenton, opposition leader John Latham, Country Party leader Earle Page, state conservative opposition leaders Bavin of New South Wales and Argyle of Victoria, captains of industry from chairmen of state stock exchanges to the chairmen of major industry associations, the Anglican Archbishop of Melbourne and the moderator of the Victorian Presbyterian Church as well as the president of the Council of Churches in Victoria.

The loan conversion had one other outcome. It turned Lyons towards alternative political possibilities. As a national action, the conversion campaign had no sectarian divides. In the weeks of the loan's advertising, the Young Nationalists in Victoria and their leader, Robert Menzies, had got behind the conversion, with street rallies and advertising. Victorians' investment in the loan was double that of New South Wales. J B Were's Staniforth Ricketson had been

a journalist in northern Tasmania when Joe Lyons was Labor leader there. Ricketson was a supporter and friend of Robert Menzies. As Allan Martin has detailed in *Robert Menzies: A Life*, Ricketson and Menzies strategised the loan conversion campaign with Joe Lyons speaking on radio and in venues between Sydney and Melbourne. Lyons impressed both men with his potential to lead against the radical voices of Labor. Ricketson's *JB Were and Son Weekly Share Market Letter* urged its clients to oversubscribe the loan. By January, even before Scullin returned, Enid Lyons recalled how she and Joe lunched with Keith Murdoch, who speculated that Scullin would make Lyons his treasurer on arrival home. Enid Lyons did not agree and told them so.

Ricketson, with his stockbroker interests, had grown increasingly impatient with the dysfunction of Labor's caucus through 1930. At one stage he had cabled his London friend, Nivison & Co stockbroker Lord Glendyne, in the hope that London's financial district might find the funds to start a new Australian political party. The answer was a sharp no. 'We have no politics,' cabled Glendyne. In May 1978 journalists from the *National Times*, including Anne Summers and Paul Kelly, tried to make something of a conspiracy out of these cables. In fact they had no impact on Australian politics. Ricketson's next moves would.

A small group of influential men linked socially, and most members of Melbourne's Savage Club, which held collections of artifacts from New Guinea's ancient tribes, soon gathered around Ricketson. They had noted Lyons' potential during the loan conversion. The men were well known in business circles, especially in Melbourne which at the time was Australia's commercial capital. Staniforth Ricketson and Robert Menzies headed this group. They were joined by C A Norris, general manager of the National Life Association; Sir John Higgins, who had been chairman of the British Australian Wool Realisation Association; and leading Melbourne architect Kingsley Henderson, who had been a member of the Malvern City

Council and was involved with the setting up of the All for Australia League. Henderson would remain a close friend to Lyons until his death. Ambrose Pratt was the sixth member – a novelist and journalist who had been an editor of the *Age* and had known UK newspaper magnate Lord Northcliffe. Keith Murdoch would eventually link up with the ‘Six’ as he realised Scullin was no longer able to keep caucus on a ‘sound money’ footing. On 23 March 1931, writing to Lloyd Dumas, editor of his paper the *Advertiser*, Murdoch mused: ‘we [newspapers] have stood by him [Lyons] and encouraged him for about nine months’. It was Staniforth Ricketson’s view, expressed in a letter to Philip Hart in March 1965, that Murdoch ‘saw the opportunity to continue in the role of his erstwhile leader – Lord Northcliffe – and adopt the role of King-maker’.

To many in the Labor caucus, Lyons was now walking with those on the other side of the political tracks. It riled his caucus enemies that Lyons had taken a Labor Government into such cosiness with conservatives. Tribal hatreds were raw. It is worth noting here that Jack Lang had a far more damaging impact on Labor than Lyons. In fact, without the divisions caused by Lang, Scullin would have survived a three-year term and possibly even won the election due in 1932, as the credit crisis eased. Lyons certainly would not have been driven out from the Labor ranks had Scullin stuck with his 1930 position and prevailed over Theodore. Even Theodore may have stayed true to an anti-inflationary position had Lang not pushed from the left in Sydney. In the populist turmoil afflicting Labor in 1931, Scullin headed up the Premiers’ Plan, backed by Labor premiers. This basically confirmed Lyons’ anti-inflationary position, although both Lyons and Latham initially opposed the compulsory conversion of bond holdings which was finally agreed to under the plan. But such was the hatred for Lyons after he left Labor that while Lang would be hailed as an eccentric Labor hero in time, the moderate and reasonable Lyons would be tagged ‘a rat’ for all time, and reviled.

This sort of tribal ostracism was evident in articles in *Labor Daily* and the *Canberra Times* (plus a more moderate one in the *Argus*) on 11 December 1930. The articles provoked agitated discussion in the House of Representatives the same day. It was mischief-making on the part of the Labor person who fed the press the story. Both articles' contents sought to undermine Lyons, claiming he had provoked uproar at the caucus meeting on 10 December in Canberra by proposing a national or coalition government of the two major parties. In fact, as both Lyons and Latham made clear in the House, nothing of the kind had happened. The matter concerned a proposal put by opposition leader John Latham in the Nationalists' party room for a (non-party) Commonwealth Advisory Council to be appointed to assist federal and state governments in dealing with financial problems. Lyons told the House he had not taken part in any discussions with Latham about the proposal, nor had he given the proposal his blessing. The incident would pass into Hansard and the archives, leaving one more fracture in the Scullin team. But the loan conversion had put Lyons on far better terms with his political opponents than many in the caucus. The story had a whiff of actuality. Enough to have the editors of the *Labor Daily* and the *Canberra Times* think it possible.

By now, the Scullin Government was very much the source of rumour and speculation – not only with the press. Possibilities were being canvassed behind the scenes in many quarters, especially by senior businessmen like Keith Murdoch, squeezed by the financial conditions but equally unnerved by the uncertainty prevailing at the top of government. Lyons had held the bridge in Scullin's absence but there was no guarantee the NSW Langites could be held back. And Theodore was a puzzle. The Australian National Library's Lloyd Dumas papers contain a collection of letters from Keith Murdoch to Dumas. They show glimpses of how Labor's dysfunction, alongside business fears, contributed greatly to the fluid nature of politics at the time. And why Joe Lyons broke with Labor and made

such a rapid transition to the Lodge in 1931. Even before the return of Theodore to Canberra on 27 October, Murdoch was writing to Dumas:

Canberra says that Theodore is going to make a dramatic re-entry into the caucus room and demand reinstatement as Federal Treasurer [Murdoch believed only the first part of this] ... he has many sympathisers in the caucus – not men who think him guiltless but men who will want a leader against the Lyons Fenton crowd if Lang wins – possibly also if he doesn't win.

Murdoch added that Theodore was 'preaching inflation' and if in power again would 'endeavour to get control of the Banks'. As a businessman, Murdoch had been working hard to convince select MPs to push for lower wages and interest rates to ease the pressure on business and employers. The letters show that Murdoch's efforts had failed.

By 16 December, Murdoch could see the whole conflict between right and left in caucus was readying for a resolution of one sort or another. His media could be used to cajole political leaders on issues of importance to his business – going easy sometimes, going in hard at others. These letters show, however, he had no preferred political team for all time. Murdoch condemned the Bruce–Page Government equally with the imploding Labor caucus. In March 1931 he wrote, 'The nation has been disorganised, brought close to bankruptcy, dis-united, demoralised and now is threatened with immediate destruction by civil war and the closing up of industry because of its government by Labor Party and by Bruce–Page Party.' In late 1930, Murdoch hoped Scullin would prevail, but by then he was losing confidence in the caucus.

Murdoch saw caucus in 'three more or less defined groups', which he outlined to Dumas in order to set out what stance the paper might take. The Beasley group (Langites) were backed by 'all the industrialists' and 'openly hostile to Lyons and his few close

friends'. The dislike was mutual, wrote Murdoch. The Langites were now openly hostile to Scullin; Murdoch predicted that they would 'attack Scullin immediately on his return on the reappointment of Sir Robert Gibson'. They did. His second group involved the moderates, most likely to go with a small amount of inflation but wanting debt reduction. They would be weak, Murdoch felt. Theodore's supporters were the third group – only three, possibly three more. At this stage, if cleared in the New Year, Murdoch believed Theodore could become Labor leader: 'Scullin will be teased into resignation, or given a job. The Party has sunk so low in its intrigues and venality that there has been discussion amongst the worst of the members of the possibility of Scullin becoming Governor-General.' Yet, as late as 29 December, Murdoch admitted he had 'a good deal of faith in Scullin'. And, while impressed by the strength of the conservative 'citizens movements', Murdoch preferred to believe that economic problems could still be solved without 'the strife & losses of class movements' and that it was 'much too early to despair of a peaceful solution'. In all this, the move to install Lyons as the businessman's hope was still a long way off in the New Year of 1931.

Labor split

On Scullin's return to Australia, he faced a political time-bomb ready to blow in caucus. It was a sharp re-entry but one he took a little time to absorb. Scullin's leadership was fragile, with Theodore the most likely contender for his title should the Mungana Mine inquiry absolve him. Reliable opinion believed it would. The by-election in Sydney for the federal seat of Parkes (roughly inner-city Lowe in 2011), caused by the appointment to the High Court of Labor MP Edward McTiernan, was set down for Saturday 31 January. The appointment of Labor figures McTiernan and H V Evatt to the High Court had been made by Cabinet in Scullin's absence, a controversial decision opposed by both Scullin and Lyons. Cabinet

had overruled the leaders. Labor had won Parkes from the Nationalists only in the favourable conditions of October 1929, and NSW Premier Lang made it clear that only expansionist or Lang-style policies were acceptable for Labor's policy announcements during the campaign.

Lyons travelled to Melbourne with Enid on the *Loongana* on the evening of Saturday 10 January and met Scullin in Melbourne to hand back the treasury responsibilities, with great relief. Lyons stayed in Melbourne for the Loan Council meeting on the following Tuesday while newspaper reports speculated on how Scullin would hold off a push for the caucus to meet and approve the Gibbons plan in the Prime Minister's presence. Melbourne had welcomed Scullin back with crowds and huge acclaim. Such was the expectation that Scullin's return would stabilise an unruly caucus that, as Staniforth Ricketson's diary entry for 7 January 1931 notes, Ricketson had urged Kingsley Henderson to get Robert Knox and the Citizens Committee to support a public welcome for Scullin. Melbourne's conservative *Herald* reported Scullin saying: 'Labor had no mandate from the people to take the country along the path of inflation', the headline 'Mr Scullin's Stand – Will not obey the dictates of NSW Section'.

Lyons, who continued to reject 'the wild-cat finance plan as embodied in the Gibbons resolution', was reported as saying he would 'wait to see what Mr Scullin has to say in answer to the news from Sydney', adding that it would do 'irreparable harm to Australia if ... translated into legislation'. Lyons would place his country before his political future. Clearly he needed time out, and soon after the Loan Council meeting, where he was given 'eulogistic' praise according to the *Herald* for his time as Acting Treasurer, Lyons headed back to Devonport with Enid for a week among his holidaying children. There he could potter in the garden or catch a day at their favourite strip of beach on the north coast, with Enid bringing the food later. Maybe even a spot of fishing. As usual,

Lyons' time in Devonport also involved moving about his electorate, catching up with Tasmanian friends and supporters and listening to ordinary Australians and their concerns.

In Sydney on 15 January, Theodore and Gibbons met Scullin at the train station and later the Prime Minister conferred at length with Labor leaders from New South Wales. These consultations seem to have impacted sharply on Scullin as he took the full force of rebellious feeling in that state. His speech that evening opening the Parkes campaign was ambiguous, so much so that he was forced the next day to issue a statement saying he had not been advocating the spending of credit or bank notes on public works. In Canberra on 20 January, Scullin extolled the loyalty of Lyons and Fenton and gave strong support to the line on finances that Lyons had maintained. On 21 January, the *Canberra Times* reported Scullin saying:

Mr Lyons' name will go down as the man who stood for the credit of Australia, and by his enthusiasm, earnestness and energy played a most conspicuous part in the great conversion operation ... I watched with great anxiety the progress of the loan and endeavoured to assist from afar, but he was here on the spot, and, with the support of his colleagues and the loyal co-operation of the departments and of the people of Australia, he came through a very critical period, and once more showed to the world that Australia can stand up to her obligations when they fall due.

This came in the wake of another explosion for Labor: leaked correspondence from late 1930 between Lang and Lyons, published by the *Sydney Morning Herald* on 19 January.

The furore which followed should have embarrassed Lang, but he obfuscated and reinterpreted the meaning of his letter, as Bede Nairn describes. In late 1930, through Lyons as chairman of the Loan Council, Lang had sought more money for New South Wales and a broadening of the approach for states to borrow through the

banks. Lyons had done no more than acknowledge Lang's letter, passing it on to the chairman of the Commonwealth Bank for reply. Robert Gibson subsequently wrote at length to Lyons rejecting any departure from the general rule governing loans to state and federal governments. An infuriated Lang then accused the Commonwealth of manipulating finance for its own ends. In parliament, three weeks after writing to Lyons, Lang denied having sought more money for New South Wales from the Loan Council. The leak, however, confirmed that Lang had misled the House and vindicated Lyons.

At the caucus meeting on 26 January, Lyons had put a motion (seconded by Darby Riordan who later voted for Theodore's reinstatement as treasurer) for a spill of all positions. This suggests Lyons may have thought he had the numbers to justify a move on the leadership. The vote for Theodore's reinstatement was very close when it came later. Lyons had withdrawn his motion after a lengthy party room discussion and no doubt as he saw that members such as Riordan were moving to Scullin. Thus, at the risk of losing two experienced ministers and exciting yet more speculation as to how stable the Scullin Government really was, Scullin retained his leadership. Theodore was reinstated as federal treasurer; Lyons and Fenton immediately resigned as ministers. Their resignations were announced on the eve of the by-election. Murdoch had written to Dumas on 21 January, in his blunt and colourful way, 'He [Scullin] has decided that he must acquire the support of the Theodore section of the caucus and that together they must control the Reds.' Labor lost the Parkes by-election with a swing against it of seventeen per cent. It was a devastating result. Lang had dominated the campaign and Lyons had rowed with him during it. The voters had spoken but Labor wasn't listening in New South Wales.

It was only a beginning for Labor's destruction in 1931. Whatever historians' opinions of the incapacity of Fenton and Lyons to hold caucus together in Scullin's absence, the events after Scullin's return show that even Scullin could not hold back the Lang

onslaught. Within days of his return, Scullin had been shrill in asserting, as the *Herald* reported on 13 January, ‘while I am head of the Government I shall be given the right to exercise the responsibility of leadership’. But Scullin would not so much lead as capitulate after his return from the UK.

The ‘Reds’, as Murdoch called them, now wreaked their worst on Labor. John West, the Member for East Sydney, died on 5 February. NSW Labor selected rabid Lang supporter Eddie Ward to contest the Labor seat. The campaign for the by-election on 7 March split NSW Labor wide open, with Lang and his federal followers again fighting for dominance over Scullin and Theodore. In response to Theodore’s modified version of the Gibbons proposals, which caucus had adopted, Lang produced his more radical ‘Lang Plan’. It proposed no further payments of interest by Australia to British bondholders until Britain gave relief to Australia (as it had to the US) on war debt repayment, that interest on government borrowings be reduced to three per cent and that the federal government set up a currency based on Australia’s full wealth or a goods standard. This was revolutionary stuff. After Eddie Ward won the East Sydney by-election – with a severely reduced Labor vote – the Langites were no longer welcome in Labor’s federal caucus. New South Wales now had two Labor parties. With more to come.

Leaving Labor

In a number of public statements over some months, Joe Lyons had indicated he was sticking to his belief that Australia could not take the expansionary or note-printing path. For politicians like Lyons and many of his generation, the scenes in Germany during the Weimar Republic and its hyperinflation of 1921–23 had left a permanent vision of financial armageddon. Lyons had said often he would put his country before his party. Conservative politicians, some of whom had come to know him, had noted this over months. Nationalist

leader John Latham, a barrister by profession, was an able politician but one who did not inspire ordinary voters with either his personality or his rhetoric. Latham, pressured to take on the leadership after the exit of Bruce, had lost income from his legal practice in taking a seat in the federal parliament. His approach to politics was never one of hunger for the job. He told the National Club in 1929 and John Williams, author of APSA pamphlet *John Latham and the Conservative Recovery from Defeat, 1929–1931* in 1958 that while the leadership was hard work it was also ‘fun’. In spite of this, Latham would be a significant figure in the revival of conservative hopes with Lyons in 1931. He would both guide and strengthen Lyons among a new conservative fan club over many months.

Philip Hart’s information from Staniforth Ricketson and Allan Guy is recorded in his article ‘Lyons: Labor Minister – Leader of the UAP’, published in *Labour History* (no. 17, October 1970). Ricketson kept a diary of meetings with Lyons in early 1931. In the mid-1960s, he spoke to Hart of how the Group of Six engaged with Lyons over some weeks about his leaving Labor and joining the conservatives. The actions of the group are unparalleled in Australian history and were taken with the coolness only a group of senior businessmen might adopt. As Ricketson told Hart, the six initially did not consult the Nationalist organisation’s leadership as they wanted to ascertain Lyons’ interest first.

Ricketson explained in a letter to Hart on 29 September 1964 that he was a fledgling reporter for the *North Western Advocate* and *Emu Bay Times* when he first met Joe Lyons in 1911. After he returned from the war in 1919, Ricketson had many close dealings with Lyons, then Labor leader. In 1930, they had renewed the friendship. In his letter, Ricketson advised Hart that he would have the J B Were librarian, Miss J Richards, search out details of the meetings. When they had been recovered, Ricketson spoke with reference to his diaries during interviews with Hart. Hart did not see the diaries, which are held today with the J B Were library at

Goldman Sachs in Melbourne. Ricketson told Hart he had invited Lyons to meet with the Group of Six in the J B Were and Son offices while Lyons was in Melbourne from 4 to 7 February 1931 handing over his portfolio responsibilities. Lyons accepted the invitation, no doubt expecting some discussion of his future intentions. Here, with Menzies as spokesman, it was put to Lyons that he should leave Labor and join with the opposition. If he could persuade enough Labor colleagues to break with Scullin and come with him, they could form a temporary government. The group also offered to do all it could to have him accepted by the Nationalists as their new leader. It was all very flattering for Lyons, and an alternative way ahead. But he would not decide on it for weeks.

Enid Lyons has recorded in *So We Take Comfort* the emotion and pain for Lyons in his decision to leave the Labor Party. Enid was not as influential in his eventual choice as has often been implied in writings about Lyons. He also often used his need to consult Enid as a means of delaying a decision he was not ready to make. Ricketson wrote in a letter to Hart that if Lyons was uncommitted during negotiations he would sometimes say he ‘must ask Enid and see what she thinks’. Enid also knew as Joe pondered his next move with Labor that it had to be his decision. And Joe certainly needed her onside – after all, his move would affect the whole family. As far back as October 1930, Lyons had reminded Robert Gibson, as Ricketson’s diary entries indicate, of ‘what a big sacrifice’ any move alienating him from Labor ‘would mean to him (Lyons) on account of his wife and nine children’. For much of February and early March 1931, Lyons was on the mainland, unable to talk with Enid, having had just a few days back in Devonport after his initial meeting with the group. He did discuss the group’s offer with his wife immediately, but left Devonport soon after to meet the group again on 16 February. This time he was with Allan Guy. Then he was on to Canberra for caucus meetings. Enid Lyons admitted to Philip Hart in a letter in March 1965 that her letters from Joe during this

time did not mention any matter around his break with Labor. On 25 February, Lyons was in Hobart attending the Tasmanian State Labor conference where, as reported in the *Examiner*, the bulk of two days discussion was centred around a censure motion against Lyons and Allan Guy over their defiance of the Scullin–Theodore leadership. They vigorously defended their stand and Lyons faced not only a bitter attack from Ogilvie, who had just attended a federal executive meeting, but also a motion put by Dwyer–Gray – who would soon link up with Jack Lang – that Lyons and Guy had promised to support whatever financial policy was adopted by the Scullin Government. Lyons addressed the meeting for over 40 minutes. He left the meeting after the censure motion passed by a small majority and drove back to Devonport. He told the media he was ‘going straight forward as though the motion had never been carried’. He was no doubt comforted also that a number of his Tasmanian colleagues still backed him.

Enid was less concerned than Joe about leaving Labor. Her views were far more pragmatic. She had not attached herself so emotionally to the Labor tribe, nor had she trudged the country over decades as Joe had done, entreating audiences and voters to stay with Labor. Her response to Labor’s chaos in 1930–31 was far more mainstream. But Lyons well knew the stigma and exile he would face with old colleagues if he did join the other side. He had been part of it before when men like John Earle left Labor after the 1916 split. When he did walk, it was the strength of his feelings for what he believed was necessary for the country that sent him on. Enid has recorded how Lyons even briefly considered leaving politics altogether at this time. This of course was out of the question – if only for practical family reasons of income. Lyons would tell parliament on 13 March that his decision when it came was about moving on, but in a different direction.

By 2 March, Lyons had resolved on that different direction when he did not attend caucus. In *Labour History*, Hart argues that

Allan Guy and Joe Lyons had met with the 'six' again and agreed to leave the Labor Party. They had not agreed to joining formally with the opposition. The *Herald* reported the same day that 'he [Lyons] has not made up his mind to leave the Party, but it would appear that no other course is open to him'. The report added that Lyons was willing to 'form a minority Labor Government with the help of the Opposition' if that opportunity came. He was not prepared to even discuss the possibility of linking up with another political party. At that point, Lyons was confident a significant break-away group within Labor might join him in a national coalition. In fact, the majority within the Labor caucus, having accepted that the Lang group were going their own way, now firmed against further division so that Lyons was left with only a small contingent: Jim Fenton, Moses Gabb, Allan Guy and John Price, to be followed shortly after by Charles McGrath.

Caucus voted for Theodore's proposals for a fiduciary note of initially £18 million for farm and unemployment relief on 2 March in a meeting where Beasley challenged Scullin for the leadership and received only five votes. The fiduciary note legislation would be put to parliament and in time knocked back by the Senate – as Lyons might have predicted. In the House, the opposition immediately called for a debate of 'Want of Confidence' in the government. Meanwhile, Lyons made his last tour of his constituency in Tasmania, arguing his position before heading back to Canberra.

During the week beginning 9 March, the House of Representatives debated the opposition's 'Want of Confidence' motion, the Theodore proposal and Labor's deteriorating control of the economy. On 13 March, towards the end of a debate that had stretched to a midnight sitting the evening before, Joe Lyons rose in the House and made his last speech as a member of the Labor Party. Ambrose Pratt had written a five and a half page speech for Lyons to use, but Ricketson told Philip Hart it did not arrive at Parliament House in time for Lyons to read it. And the speech he gave

was certainly very different from that which Pratt had written, and which can be found among the Pratt papers. Lyons spoke directly to colleagues around him, managing interjections with finesse and carving away the lines of his case, little by little. The *Herald's* parliamentary reporter eulogised at its tenor and effect the next day:

[The House of Representatives] never experienced a greater thrill than that which Mr Lyons gave it when he unfolded in ordered sequence the reason prompting his sacrifice ... members sat spell-bound under the influence of a speech which quickened pulses of friend and foe alike – a speech so eloquent, so brilliant and so transparently sincere that it will probably go down in memory as one of the greatest ever heard in Federal Parliament. Sanity was its keynote and a shining patriotism was its text. For this was no voice booming oracularly in the wilderness, but the impassioned utterance of a man disillusioned by his leader, his party and its policy.

Lyons had begun by making the pain of his decision to cross the floor clear:

Of my own inclination, I may be separated, not only politically, but also to some extent personally, from my friends; but that will not be of my volition, because whatever comes or goes in the future, I can never have other than the highest respect for those men with whom I have been so long associated.

He had not prejudged his colleague Theodore, he said, and hoped the inquiry would exonerate him. But he could not support Theodore's return to the ministry while he was still being investigated.

Lyons told the House that the previous day had marked the twenty-second anniversary of the day on which he had first set out to campaign for the seat of Wilmot, the district he still represented. He had come into the federal parliament at the request of his leader – a leader he had cheered in the party room as Labor took office in

1929. He had stood by the policies his leader had taken to the electorate in that election. And he had been proud to be one of that leader's team.

But he had lost confidence, not in his leader's integrity but in his leadership. The policy the party had stood for had been 'turned completely upside down'. And this at the instruction of the party's federal executive, an unelected body. There had been numerous leaks from caucus in an attempt to destroy Scullin's leadership, a decision to appoint two High Court judges against the wishes of the leadership, and rebellion against Fenton and Lyons at the time of the 1930 NSW election in support of Lang. All this and much more had put Lyons 'out of step with a number of members of the party for some considerable time'.

Lyons argued at length why he favoured an orthodox, anti-inflationary approach to the economy and why he opposed Theodore's plan. He came close to suggesting Scullin had been disloyal to him on his return to Australia, but avoided any condemnation of his leader:

To deliberately break the associations of a lifetime is a step which no man, unless he is utterly bankrupt of sensibility, can take without deep pain and sharp mental suffering ... I have not decided hastily on the course I should follow. I have patiently examined and carefully analysed every financial proposal put forward from time to time by the Government ... I have not yet seen a proposition the practicability of which could be demonstrated.

Lyons repeated that he was not a financial genius but had consulted with those who were expert in the field for answers to the economic problems of the nation. He spoke of the confidence with which investors had taken up the loan conversion in November–December 1930, saying that it showed that Australians had the capacity for investment in Australia, provided those investors had faith in their

government and its policies. But a majority of Australians would not place their savings in 'visionary schemes that we know will not be accepted'. Such schemes would simply inflate prices and bring in no real income. He also spoke of the growing unemployment and the 'women and kiddies' who were 'suffering and starving while we draw our salaries'. Sacrifice must be shared by a reduction in public service salaries – something he had never had to ask for while Premier of Tasmania. Visionary schemes were illusionary and would lead to the very repudiation of debt the government said it had rejected.

With the vote, Lyons and his four colleagues crossed the floor. The government defeated the opposition's motion by just five votes, a narrow victory for Scullin. Charles McGrath, who stayed with the government on this occasion, would join the Lyons team shortly after. At the caucus meeting on 2 March, Lou Cunningham had won the vote for chairman of committees to replace McGrath. Patrick Weller notes, in *Caucus Minutes, 1901–1949*, that this was payback by Theodore for McGrath not having supported his reinstatement as treasurer and it was why McGrath eventually walked. A government so pettily divided could not hope to survive. After McGrath's defection, the Scullin Government only needed to lose the votes of the Langites and it would be defeated.

The secret cables

Drama was the order of the day by now in Canberra, and there was more to come. After his resignation, Lyons headed to Melbourne, where he met Enid at Spencer Street Station the next morning. They spent a weekend together to recover and draw strength before Lyons returned to Canberra the following week. Newspapers had him marked as the man of the hour, but not his Labor colleagues. Enid Lyons noted in her memoirs how the wife of a Labor MP whom she knew well had snubbed her sharply at Spencer Street that

morning as she headed to meet Joe. Exile was instant. But the press was full of this new political sensation and Lyons was being hailed by many as a hero. The *Herald* greeted its afternoon and evening readers with a front page headline 'Mr Lyons to Tour Australia'; he would even fly to Western Australia if it could be arranged. There were reports of Lyons starting his own political party, the Lyons Party. And then came the secret cables.

What the caucus and Cabinet already well knew but would never disclose was now suddenly in the public arena. Through the latter part of 1930, Lyons and Fenton had been acting on Scullin's orders as they stood firm in support of sound finance. Scullin had backed their every move in his cables from London. Now these cables had come into the possession of journalist Joe Alexander for the *Herald*. By Monday, they were public knowledge. (The police report of the matter is held in the National Archives.) Lyons had met Keith Murdoch at his third-floor office in the Flinders Street Herald and Weekly Times building during Saturday 14 March. As the *Herald* explained on 16 March, Lyons had gone to the Herald offices to be interviewed about his proposed tour of Australia. While there, Murdoch told Lyons that Alexander had copies of the secret cables. Lyons responded immediately that these were confidential documents and should never have been given to the media. He asked Murdoch to stop the Sydney *Sun* from using them but it was too late.

How and why the cables were leaked has never been determined, and, in his interview for the National Library of Australia's archives, Joe Alexander confirmed that the cables had been circulated in copy form to all the ministry. But the whole episode exploded in Scullin's face. The debate in parliament the following Tuesday did not topple the government but the stories of the cables showed Scullin in a very bad light. He could argue, as he did, that he had not deviated from an anti-inflationary position in supporting Theodore's fiduciary note issue and that the situation in Australia had changed since

the time of the cables. But all this would now be for the public to judge. The heat in Scullin's response regarding journalist Joe Alexander, however, belied such rationalisations. Scullin was furious and the Speaker banned Alexander from the precincts of the House until 24 September as a punishment. A Privilege motion questioning the Speaker's right to do so was lost only with the Speaker's casting vote. Meanwhile, Scullin would face the ignominy of appearing to have deserted two loyal lieutenants (Fenton and Lyons) in order to shore up his leadership, a leadership that seemed to be slipping from his grip week by week. By 18 March, the *Sydney Morning Herald* was headlining yet another report on the Scullin administration: 'Mr Scullin will not resign/Until defeated in the House'.

13



Striking a match

The journey of Mr Lyons and his party from Adelaide to Murray Bridge, where they joined the express for Melbourne, was in the nature of a triumphal tour. At every town through which they passed there were groups of people to greet them and cheer them on their way.

Sydney Morning Herald, *11 April 1931*

The *Southern Cloud*, from Charles Kingsford Smith's Australian National Airways, was on a flight from Sydney to Melbourne when it disappeared in stormy weather over the Snowy Mountains on 21 March 1931. Kingsford Smith himself flew from Sydney to join the search, which involved a host of small planes and 1000 men, as the *Herald* reported on 24 March. The *Southern Cloud* and the remains of its ill-fated six passengers and two pilots would not be found until 1958. Most of the search, from north of the Dandenongs to Wangaratta, was in fact far from the crash site, which was eventually discovered near Tumbarumba, New South Wales.

On the day the *Southern Cloud* disappeared, another lift-off

made news in the *Herald*. Organised political action in Australia was itself taking wing. Reporter John Dalley had written of ‘the growing distrust of politicians’ reflected in the burgeoning citizens leagues by then expanding rapidly from Adelaide to Sydney, where the Bruce–Page Government, the Scullin Government and the false hopes of the Lang Government had shaken faith in political parties generally. Some of these movements had shot up only to fold soon after: the Empire Party, the Soldiers and Citizens Party, the Riverina Movement and so on. But Dalley saw strength and change emanating from the All for Australia League (AFA), which he described as ‘the most promising of the many movements’. The AFA was enlisting new members at ‘scores of meetings’ in Sydney, he wrote, most in industrial suburbs where ‘thousands of badges had been sold to new members’. In middle-class Lane Cove as in ‘such purely proletarian centres as Canterbury and Annandale and branches formed in Auburn (Mr Lang’s electorate) and in Balmain ... Mr Theodore’s electorate’ the movement for a new politics that was non-party had sprung up. Nationalist Brigadier General Gordon Bennett, at a Lane Cove meeting, had complained that ‘the trouble in our political world has not been caused by the Trades Hall, but by Bligh Street [Nationalist Party headquarters] too’. On the other side of town, Alderman B Richards of Dulwich Hill expressed similar sentiments, saying the AFA was an organisation ‘which helps men to get together to clean up politics’ and he hoped the AFA ‘ultimately kills the spirit of party politics’.

Immediately following his resignation from the Labor Party on 13 March, Lyons found himself enjoying pop star status with the media. On 14 March, Murdoch’s *Herald* reported on its front page that Lyons was planning a tour of Australia to work up support for a new ‘Lyons party’. The large photo accompanying the article pictured Lyons and breakaway colleagues Gabb and Price, with a caption that read, ‘Mr Price has been elected Secretary of the Lyons Party’. Just who the members of this new party might have

been to elect such a 'secretary' was not disclosed. Events were being reported that had barely begun to take shape.

Certainly Lyons had hopes at this stage that he would not need to join the Nationalists. But his plans to tour Australia were cut short by the leak of the secret cables that had sent Lyons back to Canberra, leaving Enid to return to Devonport alone. Around this time, Lang in New South Wales was acting, as Bede Nairn has described, 'as if the Depression were a myth'. In mid-March, crisis loomed as Lang defaulted on interest due to the Commonwealth for NSW borrowings abroad. Lyons was met at Canberra railway station by opposition leader John Latham. They walked from the station, according to press reports, in deep conversation. After discussions about how the Nationalists and the Lyons group might co-operate, Lyons returned to Tasmania with Allan Guy.

On 18 March, Lyons wrote to Latham from Devonport about how he saw their immediate future. On his way through Melbourne, he had spoken to former editor of the *Argus* Dr Edward Cunningham, who had tipped him off that the *Argus* was about to come out in support of a coalition between Lyons and Latham – possibly also Earle Page – 'on just 3 or 4 general principles of financial and economic reconstruction'. Cunningham, like Murdoch, was also concerned by 'the growth of sectional mushroom movements' which could divide any unity of their opposition forces. Lyons wrote, 'I agree with him.' Lyons also thought they should keep their 'points' of agreement to a minimum. A loose alliance was best. This should also suit the AFA. Lyons believed that 'a lead from us [would] swing them with us'. He was ready to meet again with Latham, he wrote, and settle 'the question'. But he added, 'Leadership is in no way involved so far as you or I are concerned. I am prepared to serve in any old capacity.' Lyons was still planning to travel and meet groups across Australia – '[those] I propose to hold aim at arousing a bit of enthusiasm and if that is swung behind you under the new policy I will be entirely happy'.

Lyons next met with the Group of Six a week later on 25 March in Melbourne. Ambrose Pratt had been in touch with Lyons and he had agreed to meet the group again. They arranged a conference with Lyons for 3 pm in a private room at the Commercial Travellers Club, where Lyons stayed when in Melbourne. Staniforth Ricketson's note to Menzies before the meeting, asking him to come, suggested that the group meet over a sandwich lunch in Ricketson's office to 'bring matters up to date with Pratt before we all actually meet J.A.L this afternoon'. Ricketson's diary entry for 25 March also notes a meeting at the '*Herald Office*'. Lyons returned to Tasmania after meeting the six that day. But in the two days that followed, as Philip Hart has described in *Labor History* (October 1970), negotiations between the key players of the National Union (the UAP's organisational wing) and Latham also discussed Lyons' concern over his appearing to be controlled by the Nationalists. At Latham's suggestion, it was decided that the 'Seven Points' policy which Lyons had drawn up should be released by Lyons alone on 27 March, after which the Nationalists would agree to support them. The seven points detailed very general agreement on the aim to re-establish confidence in 'the integrity of government finance' in order to restore internal and external credit. There would be no repudiation, but economy in government with reduction in expenditure, a sound tariff policy with preference to the UK and 'inter-Dominion reciprocity', the restoration of a balanced federal budget from equality of sacrifice, support for productive enterprise to improve employment opportunities, industrial tribunals to protect workers alongside protection of the employer against undue interference, and assistance to farmers.

Reports were about to hit the media of a Lyons tour of the south-eastern states of Australia at the invitation of the Citizens League of South Australia and the All for Australia League. Sensing an opportunity, days later, Lee Murray of Essendon aerodrome's Blue Air Taxis offered Lyons a special deal on flights to places 'pre-

viously out of reach' to which he would fly Lyons himself. However, Lyons went by train after arriving in Melbourne off the Bass Strait steamer from Tasmania on 8 April and headed straight for Adelaide with Enid, who was in the early stages of pregnancy with their eleventh child. In spite of her pregnancy, Enid would be as effective as her husband on many of the platforms they spoke from, making addresses to crowds of thousands and surprising Robert Menzies in her masterful use of homespun metaphors to reach her audiences.

On 20 March, Lloyd Dumas had written to Keith Murdoch with concerns about what exactly Lyons was trying to do. Murdoch was supporting Lyons but Dumas believed that if Lyons was determined to start a new party this would only undermine the Nationalist and Country parties, surely not something Murdoch wanted. Dumas had heard that the Sydney League (AFA) was not behind Lyons and could see confusion and upset for candidates in individual seats and overall no benefit. 'I hope you will be able to induce him to make a statement which will remove this fear,' he wrote. Non-Labor people were wary of absorbing Labor figures, which could mean acceptance of what Dumas called 'socialistic policy'. His proprietor's reply, on 23 March, stilled all Dumas's fears. Murdoch had confidence in Lyons and the sweep of emotion around this unique figure as a saviour in a time of peril. Latham he saw as failing 'to impress himself upon the nation', while Lyons was 'an experienced far-seeing and ruggedly honest legislator' whose policies were 'as sound as a bell' and who was 'more human and a bit wiser' than Latham while also 'more shrewd, more sympathetic than anyone outside the Labor Party'. Murdoch also believed Lyons had 'great gifts of speaking' and 'an immense personal prestige'. The nation, Murdoch added, was 'demanding he should lead it' so that 'whether he breaks political parties or not in the course of saving the country is a minor consideration'. Murdoch had no doubts that Lyons was 'not a socialist in any form' and that soon 'Latham will appear on the Lyons platform under the Lyons leadership'. It would all fall into

place in a matter of weeks: 'Our policy should be to demand the coming together of all classes of people of whatever party or political predilection under Lyons as national leader.'

There was reason for Lyons to tread warily. A letter from Alex Bagot, one of the founders of the important Citizens League of South Australia to Lyons on 7 May, spoke plainly of the 'suspicion that your group is being swallowed by the Nationalists'. Bagot wanted that suspicion 'counteracted', adding 'we have in our League a great many moderate labour people who will support you personally, but not the Nationalist party'. He also rejected the use of the media phrase 'consolidation of anti-labour forces'. Likewise, Aubrey Barclay, Secretary of the Sane Democracy League in Sydney, wrote to Lyons on 1 April that he hoped Lyons had been misreported in the *Daily Telegraph* when he spoke of league members being 'disappointed with the Labor governments of New South Wales and the Commonwealth'. Barclay added, 'the situation is in some respects rather delicate, and anything that could be construed as a partisan comment by you might obstruct progress towards the end that we all have in view'.

To the people

There was an impetus and a surge but no plan. Yet the 1930 loan conversion campaign had been a valuable forerunner. In terms of media and organisation, the networks that backed Joe Lyons as he stormed towards a new political party on the 1931 April tour of the south-eastern states were as professional as it got at that time. Joe and Enid Lyons began the tour in Adelaide, taking the city by storm on 9 April, and going on a couple of days later by train through regional centres to Melbourne over the following week.

Joe Lyons' fate in history has been to be judged rather than have his say, mostly by his opponents or rivals. Historian L F Crisp noted in his research a comment by conservative F W Eggleston in

the *To-Day* journal for 9 January 1932 that ‘Mr Lyons contributed nothing to the [UAP] victory and was never more than a figure-head’. Eggleston went on to disclose his bias by adding, ‘the leadership of ex-Labor leaders is always an embarrassment ... ex-Labor men have to save face by introducing bits of socialistic policy into the party program. The old liberalism must re-assert itself.’

Lyons was no figurehead. The documents show he was wily in his management of the diverse and powerful forces that swirled around his new personality cult. The citizens groups had attracted tens of thousands to a vaguely defined course of action, but one that was impassioned and had led to organisational machines on a par with, and even exceeding, those of political parties. Soon after Martin Threlfall moved to work as a media minder with Lyons in April 1931, he received a letter from a former federal Hansard reporter who was publicity officer with the AFA. The man’s salary was poor but he saw his job as a stepping-stone to a position with the new Lyons administration, which he was sure would soon govern in Canberra.

Under leaders like Bagot, the AFA and the leagues operated as well-oiled political machines. All this was remarkable considering they had sprung up only as the Scullin Government divided and argued over financial management. The South Australian Citizens League had 30 000 members by the end of 1930; the NSW All for Australia League, launched in February 1931, had 30 000 members within two weeks. The Citizens League also emerged in Victoria that February, encouraged by Bagot in a visit to Melbourne over January. It too mushroomed. At the top of these movements were well-heeled business names, and often these overlapped with organisers of the National Union. But the ranks, as described by one reporter quoted in Stuart Macintyre’s *The Oxford History of Australia*, reflected the ‘camps and enlistment depots of 1914 and 1915. Clerks, bank managers, labourers, small shopkeepers, accountants, barristers, a mixed audience but all inspired by a wave of patriotic

ardour'. The All for Australia League had 130 000 members by June 1931. And many were disaffected Labor voters.

Like any sophisticated political operation, the emergence of Joe Lyons as the new opposition leader in 1931 was a delicate and carefully balanced juggling act. Lyons was not the puppet many have described. He had been at the centre of political watersheds in Tasmania which had thrust him into leadership and even the top job. Moreover, his six months holding his fire under extreme stress at the helm of a fractured Labor caucus had sharpened his antennae in the federal sphere. Lyons had both the coolness of experience and the ambition of one who by now had accepted he could make a difference. As Ricketson suggested to Philip Hart in a letter in March 1965, Lyons' trips home to Enid were often a way of putting space between difficult decisions, allowing dust to settle. When a decision needed to be made, however, Lyons chose his moments brilliantly.

By the time the Lyons couple stepped onto the platform at the Adelaide railway station on 9 April, still fresh after a journey from Melbourne, the stage was set for Joe Lyons to make an entrance. He did not disappoint. With the press hanging on his every word, he was reported to have shouted from the carriage door to the crowd, 'We shall strike a match tonight which will start a blaze throughout Australia.' And then he was off to open a conference in the Exhibition Building packed with representatives of the diverse citizens groups in Australia. Lyons told the audience of 3000 that 'the country that had cradled the Anzacs never could lack confidence for long'. Reports in the local press noted that the attraction to Lyons was because of his 'transparent honesty and commonsense'.

Alongside Lyons, Enid addressed audiences too, speaking the following day to a women's audience of 6500. Lyons pushed his wife into the media's notice whenever he could because he recognised her ability to broaden his common touch and enjoyed her performances. Keith Murdoch's *News* carried a report of their arrival in Adelaide, with Enid moving away after a few brief words only to be dragged

back by Joe: 'Cameras clicked and she was away. A long arm shot out. "Come back here my girl; you are the main one in this!" That was Mr Lyons.' As an orator and leader, Lyons would always be seen as a man of the people. He added to this with his wife at the microphone. At times in her speeches, Enid made teasing references to her husband's failures: 'You've heard how good my husband is with the millions! I wish he was as good with the single pounds!' She even confided in her audience, telling some that as Joe had struggled with his decision to leave Labor, he had come to her one day and said: 'Look my girl, we have no money, and I suppose we never will have any; but we have our children ... they are going to live in Australia when you and I are no longer here and, by heaven, I am not going to allow anyone to ruin Australia if I can lift a finger to prevent it.'

It was brilliant theatre, but it also resonated as a true reflection of what the Lyons couple were – ordinary folk in many ways living much of the experience of any middle-class Australian couple, expressing the feelings of many around the country. But they were ordinary and extraordinary at the same time. On stage, Enid could reflect Joe in ways he could not do himself as he, by necessity, exuded mastery of leadership and public policy. Enid was able to draw the private man onto the stage, without Lyons needing to become, as he would have said, 'too conversational', something he believed did not enhance a political speaker. As Enid Lyons described it, 'I played to his lead and never, so far as I am aware, did I trump his ace!'

The tour, organised at every step by the forces under Bagot and Ricketson, was a circuit-breaker. Lloyd Dumas wrote immediately to Murdoch the day of the Adelaide meetings: 'I have never known the City so stirred as it is over Lyons' arrival. The whole State has been worked up to a wonderful degree of enthusiasm. I hope that we can capitalise it before it wears off.' On 11 April, Dumas wrote again with a more considered account. The week in Adelaide had brought unity between Sydney's All for Australia League and the

South Australian leagues. Archdale Parkhill, who dominated the AFA in Sydney, had been the stumbling block and Lyons had been aware of this. But Lyons' presence and acclaim in Adelaide had unified the groups with Parkhill's people 'going back in a much more reasonable frame of mind than when they arrived'. At the end of the Adelaide conference the organisers sent a telegram to Lyons confirming their new found unity:

Conference All For Australia League New South Wales All For Australia League Victoria Citizens League South Australia affiliated with All For Australia Leagues representing two hundred thousand enrolled members and four hundred branches held at Adelaide today decided to cordially invite and earnestly request you and your party Latham and his party Page and his party join together as a single party uniting all the people under new name to be selected under your leadership and policy of broad principles as announced by you Stop Delegates consider such party only method of achieving true unity and expression.

Similarly, a letter on 11 April signed by Alex Bagot and the presidents of the NSW and Victorian AFA offered Lyons their groups' 'whole force' as a party machine for support in the election campaign and invited him to be their leader. As the entries in Ricketson's diary show, through late March and April 1931 Ricketson was meeting every other day, and sometimes daily, with various members of the other 'six', who were joined at different times by such other League operatives as Robert Knox, Keith Murdoch, Richard Casey and Ernest Willis. On 15 April, through Staniforth Ricketson, Robert Menzies extended an invitation by note for Joe and Enid Lyons to spend the following weekend with his family at Mount Macedon. 'Will arrange to drive you there,' Menzies signed off.

From the time of the Lyons tour, a new united opposition required nothing more than a sorting out of what the Country Party wished to do and whether Latham would stand down in favour of

Lyons. Latham had equivocated in private about what he should do. On 31 March he had written to Ambrose Pratt, who had contacted him over his difficult decision, saying: 'Considerations which are personal cannot be allowed to stand in the way when a national emergency arises.' But Latham continued to argue that the party room should decide on the leadership, presumably hoping to hang on and knowing he had supporters among his Nationalist colleagues. Within the party, there were some still not prepared to contemplate a Labor man being forced on them for leader – Archdale Parkhill for one.

The documents show, as Philip Hart first demonstrated in *Labor History*, that negotiations went on for a week after the tour until 17 April, when as late as lunchtime, just before the House resumed, Lyons and Page were saying that Latham should continue to lead the opposition. Page, representing the interests of pastoral and agricultural industries, could not consent to sacrificing his constituency to the manufacturers and stockbrokers of Melbourne and Sydney who were pushing – through men like the Group of Six – for Lyons. Lyons was not prepared to threaten what he saw as a successful unity ticket over the question of who should be leader, but his proposal as offered to Latham still seemed to equivocate as to what sort of party would constitute an opposition. Lyons continued to hold reservations, and these were backed by advice he was receiving from citizens group leaders like Bagot that Labor-leaning followers would be alienated by too close an association with the Nationalists. As a former Labor man, Lyons knew how that might feel. Moses Gabb, who had been the first to leave the Labor Party among Lyons' Labor colleagues, would refuse to join Lyons' UAP. Gabb would stand as an Independent at the 1931 election, supported by the South Australian Emergency Committee, or Citizens Movement. As late as 16 April, the day before Latham agreed to step aside, Latham wrote to Lyons that he had not agreed to terms satisfactory to the Nationalists: 'It is evident that this proposal [by Lyons]

falls short in a marked manner of the proposal for the formation of a single Opposition party which the Nationalist Party is prepared to support.' Latham was ready to discuss the situation further with Lyons and Page.

However, after a Nationalist Party meeting on the afternoon of 17 April, Latham announced he would be stepping down as leader. This was also the afternoon that the Senate rejected the legislation designed to implement the Theodore fiduciary note issue for unemployment and farm relief, the reason Lyons had resigned in March. Scullin had threatened a double dissolution if the legislation was rejected a second time. There was an expectation that an election would be called in the following months. On 18 April, the *Sydney Morning Herald* reported that Latham had offered the leadership to Lyons, saying, 'If he accepts the offer he will have my sincere good-will.' Events had once more moved too quickly – Joe Lyons was not a member of the Nationalists and thus not entitled to be their leader. So Lyons accepted the opposition leadership position although he had yet no party, as such, to lead. For another fortnight Latham continued as leader of the Nationalists. He was not entirely happy, briefly refused to stand as deputy leader and spoke of leaving politics. Then, under pressure, he accepted the situation and would thereafter be regarded as a good sport.

The United Australia Party

Over the two weeks following 17 April 1931, a unique political operation built the United Australia Party. As never before, or again in the decades to come, Australians witnessed a breathtaking political birth. The United Australia Party came into existence to support a leader who had no party but only a diverse following of citizens groups and tens of thousands of fans across the nation, many of whom supported the conservative opposition, some of whom were Labor voters.

The very name of United Australia Party grew out of what was then known as the United Australia Movement, a swelling of citizens who saw Lyons as a non-party figure, a non-politician's politician, at a time when alienation with the major political groupings was at its zenith. Voters had begun to feel that Joe Lyons belonged to them and not to a political tribe or machine. The UAP was a party that never wrote a political platform, which no doubt contributed to its early demise as the personalities that constructed it fell away. Menzies and others would gather up the remnants of the UAP and its conservative support groupings in the early 1940s to build the Liberal Party. Significantly, Menzies would hang on to Lyons' notion of catering for a broad constituency by naming the party Liberal, not Conservative as in the UK. This notion of catering for more than conservative voters owes itself to Lyons, who in 1931 brought to the Protestant and Masonic non-Labor parties a taste of that 'other' middle ground, one that Labor had abandoned as far back as 1916, and more particularly in the Scullin years.

The Group of Six led by Staniforth Ricketson was the spine that held the diverse groups together to create the UAP. Lyons had met the group again on 13 April on his way to Canberra. In a telegram to Lyons on 14 April, Ricketson sent the group's support and congratulations to Lyons for his input at that meeting but added, 'We counsel firmness on matters mentioned yesterday especially freedom of choice of team.' Undoubtedly, Ricketson wanted Lyons to push his presence strongly amid the high rollers of the Nationalists, some of whom had not warmed to a former Labor minister from the Scullin Government taking control, a natural response even in a time of crisis. The conciliatory Lyons character, as Ricketson saw it, might be too conciliatory. There had been an Australian National Federation Conference the previous week and resolutions adopted included 'unity of action' between 'all political parties or groups which are opposed to the Scullin Government'. But, having agreed that Lyons would lead a united opposition, the next move needed to be more than just unity of action.

At a meeting over the weekend of 18–19 April, representatives of the citizens groups from the south-eastern states including Bagot (SA), Gibson (NSW) and Turnbull (NSW), along with operatives Robert Knox and Ernest Wills (president and secretary of the National Union), and members of the group – Henderson, Higgins, Menzies, Pratt and Ricketson – hammered out conditions of agreement. A handwritten copy of their 19 April resolution, which was agreed to unanimously, states that the new name for the party would be the ‘United Australia Movement’ and that no public statement would be made ‘except by Mr Lyons’. Marked with lines to the side and a large ‘NB’ is the sentence ‘Mr Gibson thereupon declared that the AFA in NSW will support [underlined twice] the United Australia Movement.’ Much of the difficulty in the agreement had been New South Wales, as Lyons had earlier estimated, and as newspaper reports in Sydney had disclosed. By the end of the meeting, it was resolved that ‘all organisations which support the United Australia Movement agree to act in harmony in support of such movement’ and that ‘the separate organisations in each state be urged to appoint a representative central committee to bring about such result before the next federal election if time permits’.

In an effort to shore up the support of New South Wales, Lyons and Menzies went to Sydney later that week where Lyons addressed a luncheon at the Wentworth Hotel on Friday 24 April, sponsored by the Sane Democracy League, and later an audience of 3500 in the Sydney Town Hall, organised by the AFA. Such was the hectic appointment round and rushed nature of his trip, Lyons was unable to find time to see his old friend, businessman Jack Nettlefold in Cremorne, who had supported him in Tasmania as treasurer and premier. But Lyons did arrange for Jack to have a seat ‘on the platform’. Jack arrived in time to be allowed in but too late to sit on the stage. He wrote the next day of how he had enjoyed Lyons’ speech, adding his own two pages of advice and analysis of what he saw was needed to fix the economic malaise. This would be part of

Lyons trademark over years to come. Lack of time for old friends, but always a line here or there to keep in touch.

That same day, letters signed by Lyons went out, inviting the leadership of the combined non-Labor groups to a conference at Scott's Hotel in Collins Street, set down for 2.30 pm on Tuesday 5 May. Invited, with their two additional representatives, were Robert Menzies, Robert Knox, president of the Australian Women's National Council May Couchman, president of the National Federation Senator Harry Lawson, president of the AFA Ernest Turnbull, and secretary of the Country Party of Victoria Mr E E Roberts, who, after receiving his invitation, wrote to Lyons saying that he would be bringing not the two representatives invited but three. He added that the 'powerful and influential' Country Party Women's Organisation had been left out of the invitees and gave a strong hint that this should be corrected by an immediate invitation to 'Miss Dorothy J Resleigh, whose address is the same as on this letterhead'. Thus the United Australia Party was officially formed at this meeting, with a number of women included among its creators.

In Canberra on 6 May, Latham sent a note to Lyons inviting him to attend the Nationalist Party meeting in the opposition room the next day at 11 am. The purpose of the meeting was '1) Forming a United Parliamentary Party 2) Electing leaders and other officers.' So opposition leader Lyons and the UAP became official on 7 May – in the opposition room, but endorsed by only the members of the parliamentary Nationalist Party in Canberra. Lyons had not joined the Nationalists, but it was through their party meeting that both the UAP and Lyons' leadership of the UAP were put into effect. After his election as UAP leader (at that stage referred to as the United Opposition Party in the House of Representatives), Lyons spoke briefly, saying:

I shall have constantly in mind the earnest conviction that personal and party ends must be entirely subordinated to the

national welfare. It is this conviction which has led to the success of the movements towards unity in the different states ... I appreciate the decision of Mr Latham to accept the deputy leadership of the United Party. Mr Latham's splendid and unselfish action ... has already evoked enthusiasm throughout Australia ... Only those in close touch with the day to day events of political life, however, can realise how valuable will his assistance be.

Lyons' words were uttered sincerely. Latham had come close to resignation from politics but had risen above resentment or hurt at the last minute when asked unanimously by colleagues to stay as deputy. Lyons immediately wrote to Scullin, 'My dear Prime Minister, I desire to inform you that I have been elected Leader of the Opposition and of the United Australia Party which was formed this morning ... I also desire to inform you that, when the House meets this afternoon, I will give notice that to-morrow I will move that the Government does not possess the confidence of the House.'

In that sharpened House debate over confidence in the government, Lyons was castigated by former colleagues for his 'betrayal'. In a particularly bitter exchange, Lyons and Gibbons traded blows, Gibbons calling Lyons a 'liar'. Accused by Lyons of discussing a fusion of moderate Labor MPs with the opposition while Scullin was overseas, Gibbons heatedly denied any such thing, to which Lyons replied: 'The honourable member will deny anything after that.' Lyons was now a Labor 'rat', the term used for those who had left Labor to join the conservatives, and tribal hatreds were on the record. Lyons had joined what Gibbons called 'those reactionary forces and commercial institutions that are sucking the vitality and lifeblood out of the workers, and endeavouring to destroy those organisations through which they have secured the only power they now possess'. Lyons' motion of no confidence was lost by just two votes as Labor found new unity against the traitors. It was as Lyons

had foreseen. He would need personal strength to survive. Writing to Lyons on 18 May on behalf of the five businessmen in the group who had supported Lyons, Ambrose Pratt sensed his emotions:

Your friends want you to remember whenever your political adversaries insult and abuse you ... that we shall also very keenly feel the hurts you will suffer but that we shall accept these demonstrations as the highest tributes our foes can possibly offer to the over growing power of the cause we fight for and to the splendid strength and inspiration which your leadership has given to ourselves ... our loyalty to you is unreserved ... I am sending you this message for the group of five who like to think of themselves as your special bodyguard.

Minority government impasse

As the extraordinary events were unfolding for Australia's new and popularly based opposition, and for Joe Lyons as the new star of federal politics, the Scullin Government continued to face upheavals and declining confidence in its capacity to ameliorate Australia's financial crisis. In correspondence during April 1931, later published in *The Battle of the Plans*, edited by Shann and Copland, Commonwealth Bank chairman Robert Gibson had informed Commonwealth Treasurer Theodore (also chairman of the Loan Council) that the bank had all but come to a stage where it could not provide further financial assistance to state and federal governments. Theodore replied two weeks later to the effect that government should tell the bank how money could be distributed, and not the other way round. Theodore instructed Gibson to wait until his legislation had been dealt with in parliament. Gibson was under no illusions that Theodore's legislation could pass the Senate. And he did not waver in his belief that Australia could not afford to inflate the nation's costs or devalue its currency in the face of steep overseas interest repayments and tight international credit. Debt could

not be brought under control by more debt – and Australia was too small a player in financial markets to stand alone or repudiate. Lang might have made a tour of Melbourne and Adelaide and been received by adoring crowds in the thousands, but his default on interest payments with the Commonwealth was already biting NSW residents, as the Commonwealth took from its payments to NSW the amounts Lang had refused to pay in interest to it. The crowds would cheer one day and call for revenge when the effects flowed back on them.

By the time of the premiers' conference, which opened in a committee room at the Victorian Parliament House on Monday 25 May and sat for three weeks, Scullin realised he would have to compromise with the Lyons opposition. From the UAP, Lyons, Latham and Senator George Pearce were all eventually admitted to attend the conference in the third week. Even Lang was in attendance. The states, led by Labor's Lionel Hill from South Australia (a close associate of Lloyd Dumas to the horror of his Labor colleagues) and Labor's Ned Hogan from Victoria, were especially strong in support of the federal government making economies. They themselves had taken this path already. But Lyons and Latham opposed strongly a proposal at the conference to convert a massive loan of £500 million by forcing its bondholders – that is, making it compulsory – to accept a significant drop in the interest rate offered. Lyons and Latham wrote to Scullin, calling such a move 'repudiation and default'.

By the end of the conference, a 'Premiers' Plan' had been adopted by all premiers, who then had to take it back to their parliaments for acceptance. This would splinter further an already divided Labor Party. The conversion agreement had been modified, and Lyons and Latham had accepted the new conditions that bondholders would be allowed voluntary conversion at first but the government could still enforce a drop in interest payments on dissenters. There was to be a 20 per cent reduction in adjustable government spending,

including salaries, wages and pensions. At this point, Lyons may have wondered why caucus had been so truculent six months earlier and caused so much damage to the Labor Party in the process. Lang was still difficult and would abide by the terms of agreement only after the conversion had been completed, he said. By the first week of July, Treasurer Theodore was making headlines with his appeal to bondholders to convert their holdings into securities bearing less interest. He was beginning to sound desperate in spite of over 90 per cent of the conversion being successful. There was protest from overseas investors at the compulsory conversion provisions. By 8 September, following press reports of this and the hardship being foisted on small bondholders losing savings, Scullin was on the defensive. The day before, Lyons had told the press he no longer supported the premiers' conference agreement on compulsory conversion: 'I wish to record my opinion that the decision was a profound mistake.'

By 22 September, confidence in the Scullin Government had not improved as Lyons addressed the National Federation for the first time. 'Delegates stood and cheered as he rose to speak,' reported the *Burnie Advocate*. While Lyons continued with his familiar theme of the dangers of inflation, he had worked up a new line. The Premiers' Plan had shown that while the Scullin Government had reverted to an anti-inflationist approach, those who had money to invest did not trust it:

The uncertainty which exists in the public mind today regarding the federal government's future course demands that if there is no intention to revive the inflationary policy the fact should be stated immediately and unequivocally.

Lyons now argued that the government's switching back and forth on policy had made investors wary, and at a time when confidence was needed to start generating business and jobs. Only the UAP could be trusted to stick with the hard decisions, to give confidence

back to business. To a large number of voters, he had a point.

The global financial crisis had caught up with others. In Britain, the Labour Government had also splintered. After 24 August 1931, Labour Prime Minister Ramsay MacDonald had joined with the Conservative and Liberal leaders to form a National Government. This quickly split Labour ranks, leading MacDonald to form his own National Labour Party. In a general election on 27 October, the National Government won in a landslide. Lyons, observing it all from Australia, saw the scenario he would have preferred at home – a chance to lead yet not abandon his Labor identity. Interviewed by the Burnie *Advocate* on 28 October, Lyons spoke of how pleased he was with the UK result, adding that he saw the result as beneficial to Australia and the UAP, which had ‘been preaching Imperial preference as one of the important necessities to the solution of our problems’. On 2 October, he had been reported in the *Sun Herald* saying, in relation to a new UK scheme of tariffs: ‘I am aware of the difficulties which confront the British Government with respect to the imposition of duties upon raw materials, but there is, I am satisfied, a large field in which reciprocity in tariff provisions could be adopted with mutual advantage.’ What Lyons called Imperial preference in 1931, future generations would refer to as bilateral free trade agreements (though most of such deals remained a long way from ‘pure’ free trade). Lyons believed his background and similarity with MacDonald gave him an edge in future consultations. He also spoke of ‘the forthcoming Federal elections’ as if it was only a matter of time before the Scullin Government fell. It was.

Triumph

The death rattle of the Scullin Government could be heard by early November. Loathed by the Lang forces, Theodore had finally been cleared of the Mungana Mine allegations in August 1931. But stories of graft and questionable business interests continued to dog

him. By November, there were issues over the distribution of unemployment relief at the Cockatoo Island dockyards in his electorate and he was rumoured to be looking for a safer seat in Queensland, away from Lang's interference. Lang's forces in the Senate were now threatening openly. On 24 November, at a meeting in Daylesford, McGrath spoke of having received a letter from Lyons, as the *Argus* reported the next day, asking him to hurry back to Canberra as Lang was ready to tackle Scullin once and for all.



A cartoonist's delight: Joe Lyons, middle-class success story, cosy by the fire and victorious over Jack Lang

Courtesy Home Hill Museum, Devonport

On 25 November, after a debate in the House over the distribution of unemployment relief funds, the Lang group under Beasley crossed the floor to vote with the opposition. The Scullin Government had lost control of the House. Scullin had to wait until the following day for the return to Canberra from Wangaratta of the Governor-General, Sir Isaac Isaacs, the first Australian to hold that office and the man Scullin had braved the King's stare to appoint. The Governor-General took the Prime Minister's advice and agreed to a general election. Scullin then informed parliament that an election for the House of Representatives and half the Senate would be held on 19 December. It had been a trivial enough issue to bring down a government – inspired by an accusation against Theodore and no doubt only to make mischief in New South Wales. But Scullin, under pressure for months with the tension of every vote on the floor of the House, had simply lost his cool. He had not seen that the smallness of the issue mattered not a bit. It was a challenge from the Lang group and they were ready for trouble. Rowley James, Member for Hunter, had threatened that the Lang group would force an election if the Prime Minister denied them a royal commission into unemployment relief. Scullin had refused a commission and pretty much said, bring it on. They did. In the end, all Labor factions lost heavily in going to the people.

Both Scullin and Lang were by this time out of touch with ordinary voters, who were tired of the uncertainty and anxiety over the economy. Many were angry as well. Scullin had played into the opposition's hands. It would also be a unique moment in Australia's history. In a country where Catholics made up just 25 per cent of citizens, in the 1931 election both prime minister and opposition leader were Catholics of Irish background. This would make the vote another watershed moment in party divisions. Lyons would be the first political leader in Australia to break down the barriers for Catholics with the heavily Anglo-Protestant and Masonic conservatives. And he would do it with no mention of his background,

just a disarming charm as a personality. In the 1931 federal election, as Michael Hogan has pointed out in *The Sectarian Strand*, middle-class Catholics deserted Labor, and Labor's first preference vote dropped to almost 27 per cent from 49 per cent in 1929. That drop was accounted for by the many Catholic voters who saw Joe Lyons as 'one of them'. The safety net of Catholic middle Australia was no longer a certainty for Labor – the Catholic vote was up for grabs from that day on.

Initially, Lyons planned as he had in all elections previously – his mind went immediately to Tasmania and his electorate. He announced his campaign opening would be in Deloraine, with a radio broadcast in Tasmania, to be followed up by a radio broadcast from Melbourne two days later. This was quickly overtaken by the party organisation. Lyons was the spearhead of a national campaign and must give his policy speech from a major mainland city. On 1 December, the Burnie *Advocate* printed a 'Mr Lyons' Message to Wilmot electors explaining his regret that he would not be launching in Tasmania but instead visiting Wilmot early in the campaign. He would launch the UAP's campaign in Sydney. Lyons was no doubt a little worried at having to contest his seat as a Labor deserter and be challenged by both a Labor candidate and a former Nationalist standing as an Independent. To win, he really would need to be a candidate for the people. In an era without weekly public opinion polls, his concern was reasonable. Election hype and being surrounded by supporters can produce illusions and not the reality. Jim Scullin was experiencing this as he put the final touches to his policy speech in Melbourne on Monday 1 December, telling the press that over the weekend he 'had received excellent reports from every State on the prospects of the Government'.

It was an exhausting few weeks. Even before he set off on the campaign trail, Lyons made a 'talkie' in Melbourne to be shown at cinemas. The United Australia Party was well cashed up for the election fight. The theme of the 1931 Lyons' campaign was 'Tune in

with Britain', which captured the idea that a coalition government, like the National Government in the UK, would be one that put nation before party. There was no time for Lyons to go to Western Australia or Queensland. At every major stop as he travelled the south-east, however, Lyons made speeches. An audience of 4000 heard his campaign speech at the Sydney Town Hall on the evening of Wednesday 3 December. A UAP government, he said, would balance budgets, stimulate industry, give taxation relief where possible, offer a sound banking system free from government control, refer tariff matters to the Tariff Board, negotiate preferential Empire trade, be federalist not centralist, provide a clearer definition of federal and state industrial powers, act against communists and revise defence policy. Lyons paid tribute to John Latham in generous terms and the uproar from the response was described by the *Advocate* as so loud when 'transmitted by wireless, [it] reverberated all over Australia'.

On his return south, Lyons stopped to make election speeches at Albury, Wodonga and Wangaratta before arriving in Melbourne. There he met up with Enid, who was to take the stage in support of Jim Fenton in Maribyrnong, a stronghold for Labor where local member Fenton was now UAP. Fenton's meeting had to be abandoned after all the speakers were drowned out from the floor with catcalls and interjections. Enid accompanied Joe back to Tasmania and took no further part in the campaign. They left Melbourne on Monday 7 December with Lyons starting his tour in Launceston on Tuesday morning. For two days he travelled across northern Tasmania in his saturation campaign style, dropping in at towns and venues to give up to four and five speeches a day. He returned to the mainland late on Wednesday. The hectic pace would be repeated over the next ten days.

By Wednesday 16 December, Lyons was exhausted and his minders were worried they might have to cancel engagements. The *Argus* noted that his touring had been 'a record for rapidity' in any

election campaign. Catching him at Seymour in Victoria on his way to Sydney, the paper reported that his flight from Adelaide had been unpleasant and offered no chance for a rest. But Lyons said he would not cancel any of his plans and hoped to recover on the train to Sydney overnight. Once there, Lyons would break all records and address three meetings in one night, leaving Sydney on Thursday evening by train for Melbourne, where he took the ferry to Devonport later that day to be home for voting on election day. Covering for him in Tasmania in those last days of the campaign was Robert Menzies, who, as a member of the Victorian Legislative Council, was not involved as a candidate in a federal election. Lyons was being cheered by fans at every stopping point, his audiences overflowing. News reports in Tasmania noted that his Labor opponents had very modest crowds and it did not surprise when the UAP won every lower house seat in that state.

The result was a triumph for the new conservative coalition. With 34 UAP seats, Lyons could also count the six Emergency Committee seats in South Australia (UAP by another name), the sixteen Country Party seats and the support of Independent Moses Gabb. This made up 76 per cent of the House. It was a record win, even better than Malcolm Fraser's Liberal/National Country Party landslide of 71 per cent of House seats in 1975. Six Labor ministers had lost their seats, including Ted Theodore, who lost to a candidate from the Lang group, ending his political career. Frank Anstey had been involved in a skirmish outside his polling booth when voting, and after 'a blow was struck' his assailant had been taken to hospital. It had also been a 'staggering blow' for Labor, as the *Advocate* headlined. Lyons, delighted, spoke of voters having 'averted a financial and economic disaster' and being as 'sound of heart as are the people of Britain'. But he also warned of 'a very difficult task' that lay ahead. Lyons had won the election and would spend the next weeks in exhausting meetings to settle his Cabinet. But he would only assume the prime ministership officially as 1932 began.

14



Going in to bat

It has been a great day for me but I would be
happier on the hill with you and all the children.

Joe Lyons to Enid Lyons, 6 January 1932

The first Lyons ministry was sworn in on 6 January 1932, almost three weeks after the UAP's triumphant win at the polls. Tension and potential war between Japan and China over Manchuria dominated headlines but Australians were focused locally. They had a new hero in Prime Minister Joe Lyons, father of ten with a wife who had once stood for parliament herself. As the cameras and pressmen besieged the Lyons home in Devonport, with its summer contingent of children and family-sized cottage garden, Australians began to absorb the surprise of this unusual team at the national helm.

The sense of a unique, new beginning pervaded. Labor had failed miserably to unite or assure voters even with such expectation of Scullin in 1929 and weariness with the Nationalists. The wounds were still raw from the bitter and drawn-out workers' strikes of his first year but general financial uncertainty had soon swallowed thought of further industrial action. Unemployment was

now the spectre that haunted Australian families. Joe Lyons, the man of the people who understood the need to clean up Australia's shoddy finances, had won voters' trust. There would be sacrifices to come but the mood was one of confidence in the new steady hand on the tiller. That Lyons, as Acting Labor Treasurer, had refused to countenance repudiation in regard to debt repayments and, as a senior minister, had stood against Labor's schemes to print money to the point where he had left the Labor Party further enhanced this belief.

In his New Year's message to Australians, Lyons had stressed the aim of his government as 'bringing the nation to the conditions of prosperity'. His administration thus outlined itself from the outset as business-oriented and made up of pragmatic managers. The Lyons message would lack well-oiled phrases of political philosophy or grand vision. But it would seek to put Australian families back into a financial comfort zone from where they could exercise options. A prosperous Australian citizen was a free one in the Lyons lexicon.

The Lyons years would usher in stability and eventual prosperity, albeit on the eve of another world war. To many, Joe Lyons seemed an unlikely candidate to head up such success as he took office. The *Bulletin* caricatured him as somewhere between an infant surrounded by the grown-ups of the old Nationalist Party – Hughes, Bruce, Latham and co. – and a lowly steward in the forms of shop-walker and waiter. For all his popularity, Lyons did not have the image of a great leader, the sort of figure who might unswervingly tackle national problems and fend off danger. Unsurprisingly, this came from Lyons' newness to the national stage, having emerged just two years before from the faraway state of Tasmania. Lyons' rapid rise to the top of Australian politics had taken commentators by surprise. He seemed too new to some and not sufficiently experienced to others; in time he would often be described as 'simple' in the sense of not having the intellectual depths of a Menzies or

a Latham. But these have been the judgments of a particular time or notion of what makes for good politics. Subsequent assessments have shown the limits of these evaluations.

Lyons would prove his critics wrong. In spite of Bruce's patronising comments to biographer Cecil Edwards that Lyons was 'a delightful person' but 'couldn't run a government', Lyons was in fact an administrator in a style unfamiliar to his contemporaries. He had shown this in Hobart in the 1920s as premier. He was a first-rate communicator, mastering every new media opportunity to present himself to the millions he served. Lyons also was a strong parliamentarian, what Menzies described to Colin Hughes in the ABC TV's 'Mister Prime Minister' as 'first class', adding 'I didn't ever know him to put a foot wrong as he sat at the table ... he was calm, good humoured, shrewd, he understood all the noises that a parliament makes'. That steady hand would exploit Labor parliamentary divisions as well as bring strong support against party rivals from time to time. With the premiers, as South Australia's Tom Playford recalled for the same program, he 'exploited to the fullest any difference between the states'. Playford concluded that 'it was always the agreement Mr Lyons desired'. Lyons was not a great visionary, nor one to impose personal preference on wiser opinion. He sought the advice of experts and professionals and valued departmental advice. He was also strongly guided by Lyndhurst Giblin, whose efforts to push graduates into the public service had begun in Hobart in the early 1920s. Lyons agreed with Giblin on the need for the public service to be made more professionally competent. His time in the Tasmanian Department of Education had left Lyons well aware of how weakness in the government bureaucracy affected government services.

In 1932, the Australian Commonwealth public service was hindered by the unattractiveness of life in Canberra as well as by the continued practice after the First World War of using the public service as a way of employing returned soldiers. As William Coleman

has demonstrated in *Giblin's Platoon*, it was Giblin who pushed for a better educated federal public service through the recruitment of graduates. This was strongly opposed by Labor, who continued to view university education as being only for the privileged. The *Commonwealth Public Service Act 1933* was a first step towards Giblin's vision for public administration and was supported strongly by Lyons, although it fell far short of Giblin's idea to openly recruit ten graduates a year and support cadets through university. Under the Act, graduates could be recruited only up to the age of 25 and had to begin at the bottom of the gradings. They were paid no more for their higher qualifications. A limit of ten per cent of intakes could be graduates.

Resistance to highly educated newcomers was acute within the public service. Coleman notes that, in February 1932, Henry Sheehan agreed to appoint Giblin's highly qualified former student Roland Wilson to the Treasury for six months as an 'economic adviser', but Wilson was forced to take the position only within the Bureau of Census and Statistics, where even then the other public servants staged a sit-down strike in protest on his first day at the job. When Richard Casey became Treasurer, Giblin convinced him to appoint Wilson as Commonwealth Statistician rather than import a British expert. Wilson was such a success that in 1935 Casey refused to let him leave for a chair at the University of Tasmania, instead topping up his salary by making him an adviser to the Treasury.

Harry (Henry) Sheehan, head of Treasury, became another important adviser to Lyons. After 1935, Lyons moved his departmental head Frank Strahan into the Prime Minister's offices at Parliament House so he would be closer for consultation. Lyons also showed the way in handling and using the media to the Prime Minister's advantage through his office. Press statements were always well circulated and followed up, relations with journalists and editors constantly smoothed (in spite of the occasional falling out such as with the Sydney *Sun* over MPs' salary increases in October 1933),

interviews constantly arranged, and photo and filming opportunities carefully timed, staged and planned. Nearly a century later this might seem a given; not so in 1932. Martin Threlfall, who was significant in helping Enid settle into the Lodge as first lady after 11 February 1932, Frank McKenna and later Irvine Douglas were masters at the tactics of the minder's work in the style of ministerial offices some five decades later. The single women who worked as typists and stenographers for Lyons – Marj Grosvenor, Eileen Lenehan, Hazel Craig and Fiona O'Connor – likewise were skilled hands at the political round of long hours and unplanned duty.

Lining up the team

Even as Lyons' first ministry was being sworn in, most did not appreciate the achievement of the delicate balance it was. The new UAP ministry had not been chosen easily with the many interests to be considered. Lyons had hoped to announce the line-up before Christmas after disembarking in Melbourne from the Tasmanian ferry at 6.30 am on Wednesday 23 December to a welcoming crowd on the gangway, as the *Advocate* reported, and going directly to John Latham's Malvern home where discussions continued until 1 pm. Right up until late December, Lyons' right-hand man with the UAP party machine and former Labor colleague Jack Price had wired his concern over press reports as to who might be in the ministry. In a telegram, Lyons assured Price he would not be prevailed upon by press reports and the best alone would be chosen. Price had then replied in a letter on 24 December outlining his own merits for consideration. In spite of all his canvassing, Price did not make the ministry when it was announced. Others, like UAP MP George Maxwell who had supported Hughes in the vote which brought down the Bruce–Page Government in 1929, opposed any coalition with the Country Party. Writing to Lyons on 28 December, Maxwell argued that any inclusion of the Country Party in the UAP

Government would be 'a fatal mistake'. Maxwell had no illusions he might make the ministry so offered his advice with 'complete detachment'.

The personalities and trade-offs were considerable. First there was the role of Page and the Country Party. Discussions about policy prior to the election had included the CP's ongoing determination to reform tariffs. Page and his party's desire for a reduction of tariffs on manufactured goods used in agriculture was the key to CP considerations. In his memoirs, *Truant Surgeon*, Page gives a dramatic account of the ministerial negotiations for the first Lyons administration, which were intense enough to interrupt the Page family's Christmas Day holiday.

After the landslide victory, with all but one of the South Australian Liberal and Country League MPs choosing to vote with the 34 UAP members, Lyons had the numbers to govern in his own right. The UAP had met after the election and decided that there would be no composite government with the Country Party. In *Truant Surgeon*, Page maintains that a CP meeting in Sydney on 28 December accepted this, agreeing that positions were not as important as policy. Should the Lyons Cabinet accept reform of tariffs as agreed by the leaders before the election, the Country Party would be content with Page in a liaison position as an honorary minister. Lyons, however, offered the Country Party the portfolios of Postmaster-General, Markets and an honorary ministry, but no guarantees on policy. Page then insisted he be given Customs and Trade. Lyons, wishing to avoid the inevitable clash this would mean over tariff policy with both workers and manufacturers, refused the request.

Strong voices among Lyons' supporters in the Group of Six and business leaders had little time for the Country Party, in particular Earle Page. In terms of wealth, the Country Party for many was merely the ginger group for rural interests at a time when farmers were regarded much like miners are 80 years later. Henry Gullett,

writing to Lyons in September 1932, when Lyons would again offer the Country Party a role in Cabinet, warned Lyons about coalitioning with the party, saying ‘P & Co are the “untouchables” of Australian politics’. Gullett added that the UAP would be better regarded in standing alone because ‘they [the Country Party] will prove filthy foes & will stab you all the way from the corner’. Gullett was known for his quick temper and at times intemperate behaviour. But a letter from Keith Murdoch in the National Library of Australia’s Lyons papers reveals that Gullett’s misgivings about the Country Party were supported by Menzies. As the UAP took shape in April 1931, Murdoch had written to Lyons that he had consulted Robert Menzies, in the presence of Henry Gullett, about the possibility of the Country Party being part of the new party of non-Labor figures. Menzies had replied that he ‘would accept Paterson [the CP deputy leader] as No 2 but Page – No!’

After Page had rejected the offer of portfolios, there was a smoothing over of differences and a joint statement from Lyons, Page and Latham. Page was reported as predicting the Lyons Government would not survive the Country Party’s exclusion. Later he tried, unconvincingly, to reject the statement as a misrepresentation. In fact, Page was operating from an overestimation of his own political strengths and an underestimation of Joe Lyons, who issued a statement of disappointment in the decision of the Country Party, saying the portfolios would now be given to Lyons’ ‘own supporters’. With the popularity of the new Lyons Government, Page was left trying to explain his negativity.

Apart from this, there were strong personalities within the former Nationalists to be considered. And two former prime ministers in Bruce and Hughes. Negotiations included the advice of members of the UAP machine and senior members of the former Nationalists. Lyons’ role amid it all was to consider the opinions of others, keep the balance and choose or agree to the most able for the tasks of administration and the most appropriate for state interests

and political considerations. None of which is very different from any conservative prime minister choosing his or her front bench in any decade.

Much has been made of the fact that Lyons was new to the conservative team and reliant on the advice of conservatives such as Latham. Certainly Lyons' correspondence with Jack Price suggests he did not confer closely with this former Labor colleague, who had been important in the lead-up to the election as go-between with the leagues and the UAP organisation. In the final outcome, former Nationalists and former Labor MPs made up the ministry and not one member of the Country Party was included. Just three years before, the Bruce–Page Government seemed to have established the Country Party as the natural partner of the major conservative grouping. Now, the Country Party remained outside the Cabinet while two former Labor ministers held senior positions. In the line-up of ministerial personalities, Archdale Parkhill was placated with Home Affairs and Transport; the ambitious Charles Hawker from South Australia, whom Jack Price regarded as a rival, was given Markets and Repatriation; Victoria's John Latham became Attorney-General and deputy leader; and Senator George Pearce from Western Australia took Defence. Jim Fenton became Postmaster-General. Bruce, although ranked third in seniority in the line-up, was given a lesser ministerial role as one of three honorary ministers and made Assistant Treasurer. Lyons communicated to him by wire as he returned to Australia on the *Oronsay*, and Bruce replied that he was happy with the appointment but that London would be more impressed if he was given the position of vice president of the Executive Council as well. Billy Hughes remained on the back benches. Lyons had taken the Treasury portfolio.

The *Bulletin's* 'Plain English' column said the new line-up was as remote from Joe Lyons' desired National Government as possible and appeared unconvinced that the new team would dent the lengthening unemployment queues, describing an increasingly dire

economic situation for Australia and reflecting that:

No man could live on 5s a week ... And when we consider that the individual on the road in Queensland has to make his great decision every Tuesday, at some wayside store, where foodstuff is inordinately dear, and has to carry his week's shopping with him, then it will be realised that every man on the track has to face at least three days' starvation in every week or else turn himself into a plausible beggar.

A cuckoo in the nest?

In its 'Political Points' column on 8 July 1931, a *Bulletin* cartoon depicted Joe Lyons as a very fat cuckoo in the Nationalists' nest. A couple of less rotund Nat birds looking down from a higher branch commented, 'He may be a nice cuckoo, but after all it's our nest.' For the first year or so, it was imagined by some political watchers, and even MPs, that Joe Lyons was a temporary fix for a canny conservative enclave. In fact, commentators and rivals all underestimated Lyons' long experience as a Labor leader with a Tasmanian background. He was a conciliator, a role that would not give him large print in the history books but one that ensured for a decade that the unique collection of egos, both within and without Cabinet and the UAP, were appeased, held at bay and overcome. In that time, the Australian economy recovered and stabilised.

Lyons' qualities as leader were not easily recognised in a world that was yet to experience the transparency of weekly opinion polls and the audiovisual twenty-four-hour media, when the flaws of human character are more often on show. With politics in the 1930s, the personal weaknesses of leaders were well concealed, often even from their colleagues. Lyons' humility and his tendency to listen and take advice left him appearing to such men as not quite the 'man'. A century later, candour and an ability to admit flaws would

be a trait valued in leaders of either gender. Some prime ministers – men – would even cry in public. Lyons' style as a leader was to be more of an equal among colleagues and to govern by example. This would take a few generations for many to understand. And at times Lyons let the public schedule take over to the exclusion of any rest, so that he could reach total exhaustion and feel he could not keep pace. Latham, quoted in Zelman Cowen's *Sir John Latham and Other Papers*, recalled how a few months into the new government, Lyons had felt at the end of his rope and asked Latham to take over. Latham, who also had periods of mental and physical stress, advised Lyons to take a break: 'I told him to go home to Tasmania ... and run the risk of leaving me in charge. This he did and came back fresh and vigorous.'

Peter Heydon, a public servant who worked in the bureaucracy and on the ministerial staffs of both Senator George Pearce and Stanley Bruce, in his memoir of Pearce, *Quiet Decision*, recalls how Pearce once captured the elusive strength of Lyons' leadership. In 1937, as the UAP faced an uphill battle to win the federal election, Lyons returned from overseas – disembarking at Fremantle – to take to the election trail. Heydon describes how Lyons listened carefully to a briefing on the party's woes as he travelled by train with Pearce and Parkhill from Perth to the east coast. The UAP had lost the Gwydir by-election to Labor in May and Parkhill was under threat in his own seat from John Spender standing as a UAP-aligned Independent. It was obvious from Pearce's account to Heydon that not Menzies nor Parkhill nor any other UAP figure of substance had managed to quell UAP MPs' fears that they were facing defeat at the coming election. In response, Lyons immediately added many more meetings at large public gatherings to his schedule and addressed a crucial party meeting in Canberra to rally the troops. At the party meeting, according to Pearce, Lyons pulled them all together. After the meeting, Pearce reflected to Heydon:

Saw an interesting demonstration of a political fact today. Mr Lyons addressed the party ... he didn't make any points that Mr Menzies and I had not made at the last party meeting during the parliamentary session and he didn't make them as well, considered point by point and judging only by the words used. But they've gone off with their tails up, they've forgotten Gwydir and the referendum and they're going to win the election. So I said to Mr Menzies, 'A good lesson for us. That's leadership.'

Often perceived as a weakness in Lyons was his attachment to Enid, as if she were the controller behind the scenes. Allan Martin, in his biography of Robert Menzies, claimed without any evidence whatsoever that Enid's ambitions for her husband 'exceeded those of the prime minister himself'. Among the National Library of Australia's papers of historian L F Crisp there are notes from a conversation he had with Marj Halligan, who worked as a typist for Bruce, Scullin and Lyons. Her recollections are that Lyons was 'not up to it in 1931' and that 'Enid carried him along'. In fact, as the government settled in over those first weeks, Enid was far away in Devonport and not in Canberra where Marj Halligan was observing occasional behind-the-scenes moments. And since there was no telephone connection from Devonport to the mainland, Enid could hardly have had much say in matters political at the time. Even as the Lyons ministry was sworn in, Enid was still far away in Melbourne where she was finishing up the lease on their rented house in Barkers Road, Kew. In another failed attempt to have the family on the mainland nearer their father, she had spent some of 1931 there before the birth of their eleventh child, Peter, in September.

Lyons wrote to Enid immediately after the swearing-in ceremony, describing his love and loyalty to her, and her importance to him, but not as the voice behind the throne as many have accepted. The letter, now a classic in Australian political memoir, began with his pet name for Enid, 'Dear Ug', and continued:

My first act as Prime Minister is to write to you because whatever honors or distinctions come are ours not mine. Girl we've seen some changes and we've lived full lives in our years of married life and it is grand to know that our love for each other is still our most cherished and valued possession. It has grown sweeter and more beautiful with the years and with God's help it will still go on increasing in the years to come. It has been a great day for me but I would be happier on the hill with you and all the children.

The letter is often taken to exhibit Lyons' lack of ambition and dependence on Enid. In fact, it shows nothing more than his exceptional devotion to his wife, who had the intellectual capacity to match his interest in a political career. Lyons undoubtedly loved his children, but like many busy fathers he saw them rarely. Like his colleagues, Joe Lyons spent more time on the political road than he ever did at home. Even at Christmas, he would rise early on Boxing Day to take in the Latrobe Show and get out and about his electorate to meet the locals in an eternal round of chat and networking of the best political tradition. Lyons was gregarious and a wily politician. And Enid never stopped him, enjoying the release public life gave her and, in time, managing to create a public life for herself.

The Lyons partnership was a new reality for what was then a very provincial Australia, ironically coming from Tasmania, its most provincial state. At her first meeting with Robert Menzies, at the Menzies' Mt Macedon retreat in 1931, a pregnant Enid felt a patriarchal atmosphere in the Menzies outlook. She reflected in her memoirs that Menzies left her feeling subordinate, as wife and mother, not equal with the men of politics. But Enid and Joe Lyons would become Australia's first power couple, a phenomenon very familiar to electorates decades later, although not in 1932. What Eleanor and Franklin D Roosevelt achieved in the USA, the Lyons couple did in Australia, at a time when nations needed assurance

after financial collapse and when families lived with strain and fear. It needed no minders to fashion images of Joe and Enid Lyons as family folk. They exuded this in all they did and became a unifying symbol for Australians in the harrowing years of the 1930s.

The Lyons ascension was a unique triumph in an Australia not known for its multicultural tolerance. Catholic Joe Lyons had taken control of a party political grouping almost purely Protestant in a society governed by tribal religious groupings, where business solidarity within the Protestant–Catholic divide was supported by secret societies such as the Masons (Protestant) and Knights of the Southern Cross (Catholic). And where the Masons controlled by far the most influence. Joe Lyons was one of very few conservative leaders before 1972 who was not a Mason. Lyons cut through all of this, having gained the respect long before in Tasmania of conservative leaders such as John McPhee. In November 1933, the Group's K A Henderson, who was then President of Melbourne's gentlemanly Savage Club, arranged for Lyons to become a member.

In 2010, businessman and Deloraine dairy farmer Michael Griffin recalled how his father, Gavin, had been a close associate of Joe Lyons in the electorate of Wilmot. Michael Griffin noted that, in Lyons' day and beyond, the UAP and the Liberal Party which followed was a very Protestant-based party, although the Griffin family was Catholic. Gavin Griffin yarned with Joe Lyons on his visits back to Wilmot over his years as Prime Minister. Michael Griffin remembers his father saying that Joe Lyons often spoke of how he spent a considerable amount of time resolving fights in Cabinet, even over the most trivial matters such as who might sit nearest to him at the Cabinet table. In Lyons' day, seats at the Cabinet table were not allocated.

Rivalry certainly governed many in the UAP collective. And Lyons' tendency to conciliate rather than dominate left some like arch conservative and former Labor MP George Pearce believing that Lyons compromised too much, as Heydon recorded. But Pearce

was wrong to believe Bruce might have handled differences better. Recalling the fractious divisions of the Scullin years, Lyons kept the disparate UAP forces united in very uncertain times.

Among the Cabinet in 1932, Lyons stood apart from the well-heeled and established figures of his team. Only Jim Fenton, with his Labor seat of Maribyrnong (which he would lose in 1934), came close to Lyons in background. Later there would be his Tasmanian colleague Allan Guy for a brief while. Most, though, were from a different side of many tracks from Lyons. Bruce, educated at Melbourne Grammar and later Cambridge, came from wealthy stock who, while suffering in the financial downturn of the 1890s, left a very young Bruce at the head of a viable financial operation known as Paterson, Laing & Bruce. He continued to represent the business even after entering politics. John Latham, whose father was a JP and town councillor, won a scholarship to Scotch College in Melbourne and later did his Arts degree at the University of Melbourne before putting himself through law as an older student. Latham became a distinguished barrister at Selborne Chambers and it was said he had sacrificed salary from the Bar to become a politician. Archdale Parkhill had begun his political career as an alderman on the Waverley Municipal Council in Sydney at the age of 26. He established himself as a machine man for the conservative side of politics, helping to build the Nationalist Party after the Labor split of 1916. With his contacts among conservative business leaders, Parkhill organised a substantial payment of £25 000 to Billy Hughes for his services during the First World War.

In the new Lyons Cabinet, both Charles Hawker and Henry Gullet came from farming backgrounds, although they had chosen different paths from there. Henry Gullett was the son of a Victorian farmer who had died when Gullett was twelve. Gullett knew something of the hard life on the land when he was forced at this early age to help his mother run the farm. But his middle-class family was not without connections. Gullett's uncle, also Henry, had been

editor of the *Sydney Morning Herald* and he encouraged his nephew to take up journalism. Gullett was soon working in London as a freelance journalist and filing articles for Sydney's *Daily Telegraph* and *Sun*. He married Penny Frater, the daughter of Australian writer Barbara Baynton, in London. Charles Hawker, on the other hand, remained in the South Australian pastoral industry after an education at Geelong Grammar and Cambridge and heroic service on the front in France and Belgium during the First World War. His injuries left his legs in surgical irons and he was only able to walk with sticks. Hawker was a strong loyalist to Britain and the Empire, and uncompromising on the need for reduced costs to the primary producer, whom he saw as vital to Australia's recovery.

Among these new conservative political colleagues, Richard Casey was perhaps the one who became closest to Lyons. Even here, the unspoken cultural divide of religion left its mark. Casey's father had made his money as a company director in Melbourne after the ups and downs of investment in the pastoral industry in Queensland. Casey had been educated at Melbourne Grammar and Cambridge. As Lyons lay dying in St Vincent's Hospital, Sydney, in April 1939, Casey was overcome and had to leave his bedside to weep. After Lyons' death, Casey provided the money for Enid and Joe's son Kevin to finish his schooling as a boarder at the Jesuits' Xavier College, but Casey admitted that in doing so, as W J Hudson has recorded in *Casey*, he would have to 'put aside residual anti-papist scruples'.

'Big Fella', big problem

This pragmatic melding of unlikely opposites presented themselves as the new government at the opening of Australia's thirteenth parliament on Wednesday 17 February 1932 at Canberra's relatively new parliament building – now Old Parliament House. In spite of Canberra being a spread-out settlement of just 7000 people, mostly

public servants and single men, the arrangements for the day of parliament's opening were drawn up as for any major city. The route the Governor-General, Sir Isaac Isaacs, would take was advertised and traffic around Parliament House was stopped after 2.15 pm. Stationary cars were also banned from streets in the vicinity of Parliament House. Following question time, the Prime Minister acknowledged the deaths of two former Tasmanian Labor colleagues who had moved to the conservatives and entered the federal parliament. Retired MP Senator John Earle, who had led Tasmanian Labor when Lyons was a young MP, had died on 6 January 1932 just a day after Senator Jim Ogden, another of Lyons' former Tasmanian Labor colleagues. Their deaths reminded the national parliament of the significance of Labor figures in the ranks of conservatives over two decades, but also touched Lyons, who would in time look back on his Tasmanian years as his most fulfilling.

Within a day, however, the business of government had taken hold. The problems ahead had not diminished with an election, and by late afternoon discussion had settled on the matter of the default on interest payments by the government of Jack Lang in New South Wales. In response to a long speech by Labor leader Jim Scullin on 18 February, which called on the government to urgently address the financial distress of many Australians, Lyons replied that he believed both sides of the house acknowledged that the 'two outstanding questions' to be dealt with were 'government finance and unemployment'. However, he added that he took no responsibility for 'the action of the New South Wales government [whose] policy has been to injure the prospects of Australia generally'. Lyons explained that New South Wales had dishonoured the undertaking it had given under the Premiers' Plan, which allowed no section of the community to benefit at the expense of another. By subsidising higher wages for some – on borrowed money for which it had refused to repay interest – NSW was keeping others out of employment. As Lyons summarised it:

Our unhappy financial position is largely due to the attempts of governments to provide employment on works constructed out of borrowed money, the interest of which has to be paid by the taxpayers of this country. Too many millions have in the past been expended on unproductive works which have robbed existing works of their reproductive capacity by coming into competition with them.

In 1932, the Commonwealth Government played what Alex Millmow in *The Power of Economic Ideas* terms ‘a minor part in the economy’. Consequently, the actions of Lang can only be regarded as nationally threatening, especially, as Millmow reminds readers of history, ‘New South Wales wielded as much economic weight as the Commonwealth.’ Government debt, its renegotiation and interest repayments would be a priority for Lyons in the first years of his administration. Not for nothing had he stood against the inflationary aspects of Theodore’s financial plan and, more so, Lang. While many might discredit the Premiers’ Plan in August 1932 as unrealistic, Lyons was determined on balanced budgets. And with input from Bruce as to Australia’s standing with the British creditors, and with more loans to be converted over coming months and years, Lyons’ first stumbling block was Jack Lang. Speaking directly, Lyons went on to explain to the House his Cabinet’s unanimous decision at its first meeting in Melbourne on 10 February to send Bruce to London as a special agent who would also assume the responsibilities of the retiring Australian High Commissioner after June:

Honourable members know that as a result of the conduct of New South Wales, the credit of Australia overseas is always in danger of being damaged. In November of this year, £13 million will fall due in London, and that is a New South Wales loan ... we should be directly represented in London so as to secure the best possible terms.

Shortly after, Lyons announced that the House would be debating the Financial Agreement Enforcement Bill, for which he would move first and second readings, the aim of which was to force New South Wales into line with the other states regarding its repayment of interest for its loans. As Lyons put it in the House on 18 February, '[F]or the sake of Australia's future credit, and to protect the holders of New South Wales bonds, the position had to be faced definitely, and final action taken to obviate similar happenings in the future.'

Lang had announced at the premiers' conference in Canberra on 9 February that New South Wales would not pay any further interest to British bondholders. The Commonwealth had thus been pushed to make available funds to cover interest due to be paid by New South Wales on 1 April. But at the Loan Council meeting on 30 January, Lyons had made it clear that the Commonwealth would, as a result, refuse any further financial assistance to the state. Interest due from New South Wales between 1 and 4 February was well over £1 million. Even as parliament had opened, the Commonwealth had been taking steps to ensure that interest payments due that day by New South Wales would be made to London and New York. Meanwhile, as Bede Nairn has described, in New South Wales, Lang had earlier pushed Governor Sir Philip Game to his limits after stacking the Legislative Council with Lang appointees. And while the federal election had taken Theodore's scalp, which pleased Lang, it had also depleted Lang Labor. In retaliation, Lang tried to belittle the Lyons victory by referring to his government as the 'Bruce Government'. On the fringes, Eric Campbell's New Guard whipped up hysteria about Lang's destruction of New South Wales while movements such as the New England New State Movement clamoured for separation.

On Saturday 12 March, the Governor-General gave assent to the Lyons Government's *Financial Agreement Enforcement Act* along with the *Financial Agreement Act*, both of which had absorbed days

of debate in Canberra as the first task of the Lyons Government. Banks were now instructed to pay to the Commonwealth moneys held or received by New South Wales. In reaction to this, Lang immediately raided the NSW holdings in the Bank of NSW and the Commercial Bank of Sydney, placing the cash with the NSW Treasury. He refused to accept the authority of the Commonwealth legislation. Just seven days later, on Saturday 19 March, the newly completed Sydney Harbour Bridge was due to be formally opened by Governor Game in the presence of a host of celebrities. Jack Lang would ride to the ceremony beside the Governor in an open car with Prime Minister Joe Lyons in the official party of dignitaries. Crown and Commonwealth would thus stand in the shadow of empire-builder Lang – an image not pleasing to many significant NSW citizens, much less Eric Campbell and the New Guard.

In a dramatic climax to the week's tension, Francis de Groot, on a borrowed horse, raced in front of the Premier to cut the ribbon and open the bridge. This circus, what Bede Nairn in *The 'Big Fella'* called a jape, said much about the state of NSW politics. Over the next month, Lang appealed the Commonwealth Act forcing NSW payments to the Commonwealth but lost when the High Court decided in the Commonwealth's favour on 22 April. Lang had become an erratic demagogue; his populism with a section of the New South Wales electorate reached a crescendo in a massive pro-Lang demonstration at the Sydney Town Hall on 21 April. But the High Court sealed Lang's fate and Sir Philip Game sought advice from London. When, on 10 May, Lang forced C H Hay, the under-secretary of his department, to inform all heads of departments to ignore Commonwealth legislation regarding the collection of revenue, Game had no alternative but to dismiss the Premier, which he did by letter on 13 May.

At the state election which followed on 11 June, Lang lost heavily, with the party returning only 24 out of 90 seats in the Legislative Assembly. It was a wipeout. The election also put back the cause

of the New Guard. Incoming UAP Premier Bertram Stevens would soon assume a leading role in UAP politics and within a year his supporters would be touting him (unsuccessfully) as an alternative prime minister. In Canberra, Lyons was never more satisfied than to witness the demise of Lang.

Beyond the horizon

While Lyons would continue to remain in close contact with his backers in the Group of Six, and the many industrialists and businessmen he had become acquainted with through the UAP organisation or National Union and its headquarters in Bligh Street, Sydney, increasingly the business of government took over. Those who worked most closely with Lyons had the ear of the Prime Minister. Considerations of the electorate also governed Lyons like few prime ministers previously. Lyons was ever canny about the way votes could fall, and the adjustments and reforms of his administrations were never radical.

Even so, in financially tough times, Lyons would not compromise his determination to balance budgets and drive private investment. Throughout Lyons' time as Prime Minister, his *modus operandi* was more often than not the issue of markets and opportunities to boost Australian export income. David Bird in *JA Lyons – The 'Tame Tasmanian'*, an encyclopaedic analysis of foreign policy under Lyons and his quasi-pacifism and willingness to appease Japan and, later, the Axis powers of Europe in 1938–39, makes much of Lyons' defence and security focus. But defence for Lyons was as much about trade routes, and access to markets, as security. Lyons' conciliatory approach to Japan's occupation of Manchuria and his willingness (along with other members of the League of Nations) to accept Mussolini's occupation of Abyssinia resulted from such considerations – an open Mediterranean for Australia's UK and European trade and good relations with a growing trading



Cartoonist Tom Glover's gallery of prime ministerial film stars
Down Under – this was one of Joe Lyons' favourites

Courtesy Home Hill Museum, Devonport

partner in East Asia. By 1932, Japan had become a vital customer for Australian goods at a time of weak UK markets – taking some ten per cent of Australia's primary products and a quarter of its wool clip.

Many have judged Lyons as timid over substantial reform. William Coleman in *Giblin's Platoon* writes that while the political crisis was solved by the UAP victory in December 1931 and budget discipline recovered, 'economic malaise seemed unresolved'. The Bruce Wallace Committee set up by the Lyons Government in early 1932, which included expert economists Lyndhurst Giblin, Richard Mills, Edward Shann and Leslie Melville (Douglas Copland being ill in New Zealand), brought down a report, 'largely concocted by Melville' according to Millmow, that supported Lyons' faith in reducing production costs to industry as a way to recovery. It also advised a review of tariffs and opposed public expenditure on unproductive public works. The report concluded that little could be done by government to improve unemployment without improvement in private investment and industry. On 4 March, the *Canberra Times* reported to a nervous town of public servants that Bruce, as Assistant Treasurer to Lyons, was threatening retrenchments and salary cuts even as L F Giblin, the Commonwealth Statistician, advised that this would not save significant expenditure. Three departments were predicted to close. After the premiers' conference in Melbourne on 14 April, the same newspaper reported the Commonwealth's loan to the states of £10 million for relief of unemployment, but on condition that they showed more vigilance in carrying out the Premiers' Plan. Salary cuts promised by the states at the last premiers' conference had fallen well short of the ten per cent target. The Premiers' Plan had far to go.

As the various threads of correspondence in the National Library of Australia's collection of Lyons papers show, Lyons was a first-class networker in the modern style of politician, engaging business interests at private dinners and following up feedback in response to

letters coming to his office. But his Labor background also allowed him a presence with the ordinary small operator and worker. Those who often travelled with Lyons, such as his driver Ray Tracey, noted in reminiscences how Joe Lyons could walk up to a group of locals in a factory or pub and be quite at home in an instant.

Australia in the 1930s was locked into a very rigid economy, something no prime minister could tackle in any one move. Sixty years later, in *Australian Answers*, Gerard Henderson analysed Australia's 80 years of rigidity as the 'Federation Trifecta', a reference to centralised industrial relations, White Australia and protection all round which came into operation shortly after Federation. Henderson argued that without industrial relations and economic reform Australia could not compete globally as an exporting nation. Paul Kelly in *The End of Certainty*, a couple of years later, extended this trifecta to five points, calling it the 'Australian Settlement'. Fundamentally, what both writers were condemning was the rigidity of unnecessary industrial regulation and protection of industry.

The flexibility in the Australian economy that emerged from reform over the 1980s and 1990s in Australia contributed significantly to Australia's ability to fight off the global economic downturn in 2008–09. In 1932, however, commentators and economists like Shann and Copland were already warning of the dangers and limitations of industrial rigidity and protection – but largely to deaf ears. And for Australia to act in isolation was impossible. The world of the 1930s had little conception of the benefits of trade reform beyond notions of trade preference and revised tariff schedules. Then, a favoured response to global competition was all too often tariff protection – such as the notorious Smoot–Hawley Tariff of 1930 that raised US tariffs on over 20 000 imported goods and in turn sparked retaliation from many nations adversely affected.

The Lyons Government made its first reform of tariff schedules on 25 February 1932. A handful of duties were increased but 69 were reduced. A quarter of the "super-duties" imposed by

Scullin were repealed and more than half of Scullin's prohibitions were abolished. In May, further tariff reform resulted in the removal of more super duties and increased duties on another six items for increased revenue. Then came Ottawa.

Between 21 July and 20 August, Bruce, as Assistant Treasurer, and Gullett, as Minister for Trade and Customs, represented Australia at the Imperial Economic Conference held in Ottawa, Canada. Along with hordes of lobbyists and pressmen, the gathering brought together representatives of Commonwealth countries eager to find solutions to the global financial impasse, especially for trade. Out of the proceedings in Ottawa, the British Commonwealth of Nations emerged. However, the most important immediate outcome was the genesis of imperial economic preference, a policy Lyons had argued for in his election speeches and elsewhere. The Dominions would agree to place higher tariffs on goods from countries outside the Empire while gaining duty-free import for their agricultural products to Great Britain. Manufactured goods from the UK, in return, would be given preference when imported by the Dominions. It would be some time before the policy was fully developed, but Australia did gain concessions at Ottawa – although not without a fight from Bruce and Gullett, and one taken to high drama by Bruce, as told to Cecil Edwards in interviews for his book *Bruce of Melbourne*.

Back in Australia, the Ottawa concessions needed putting into legislation, a battle that raised tensions on all sides. At Ottawa, an agreement had been reached between the Dominions and Great Britain that certain tariffs would be lowered for imports between Empire countries. This was known as 'imperial preference'. Lyons would lose two ministers – Charles Hawker and Jim Fenton – in the months of the public debate over Ottawa. Hawker ostensibly left over the issue of parliamentary salaries, crossing the floor for the vote. In his *Truant Surgeon*, Earle Page was sceptical of the true reason for Hawker's resignation, however, suggesting that Hawker believed the Lyons Government's tariff policy after Ottawa was

‘government by the feeble for the greedy’. Jim Fenton resigned because he saw the outcome of Ottawa as a threat to Australia’s protectionist policies, crossing the floor to vote against the Lyons Government.

Page had his own reasons for sourness over Ottawa. In his view, the Lyons legislation brought in more tariffs than it abolished as it adjusted to imperial preference. It was not Ottawa but its interpretation by the Lyons Government that upset Page. More importantly, in the reshuffle of portfolios after the resignations of Hawker and Fenton, Lyons had again put out the offer to Page of the UAP forming a coalition with the Country Party if an arrangement could be agreed to on portfolios. Keith Murdoch had encouraged Lyons in this, sensing a fracturing of conservative ranks – ‘I don’t think you can fight for long as a Prime Minister with a minority following of 31 or 32 – or 30 – without embittering Page, [James] Hunter & Co, & their terms for ultimate union may become Stevens as leader.’ In Murdoch’s view ‘the UAP and the Country Party will hate each other to death (& that in a brief time), unless a composite Govt is brought about’. Murdoch did not agree with Gullett and Latham and felt it was all the fault of the ‘Victorians’ that the UAP and CP could not work out an arrangement to work together.

Negotiations over a coalition again broke down, however. Page refused to allow the Prime Minister to choose what portfolios the Country Party would have or which CP individuals would serve. In Page’s view, Lyons should only decide this in consultation with him. Lyons refused to budge, announcing a new line-up for Cabinet from 13 October that included the wealthy UAP self-made businessman Frederick Stewart, who was given Commerce, and Allan Guy, who was made Assistant Minister for Trade and Customs to support Gullett, whose health was deteriorating from the strain of work.

Shortly after the new ministry was announced, parliament began debating the government’s Ottawa Agreement legislation in the House of Representatives. As the Hobart *Mercury* phrased it on

14 November, 'Mr Scullin, as leader of the attackers, fired the first shot at the agreement ... In the regrettable absence through illness of the Minister for Customs (Mr Gullett) ... the defence was led by the Prime Minister.' The *Mercury* awarded the debate to the PM, as did the *Sydney Morning Herald*, who described a packed parliament of members wanting to speak in the debate. The special representative reporting for the *Herald* summed up the differing style of the two leaders, saying that Scullin revelled in debating with all the tricks of the trade at his disposal: 'His language is almost invariably faultless, his gestures apt, and his delivery never monotonous. He marshals his facts well, and follows a reasoned line of argument.' Lyons, on the other hand, gave

the impression that he has never bothered much with the fine points of rhetoric; that he does not care a great deal about voice production; that gestures are of little account. But he imparts more fire to his delivery, he makes his points just as tellingly as Mr Scullin and he has a ready answer on impromptu occasions.

The *Herald* summarised: 'Mr Scullin is the scientific boxer; Mr Lyons the hard hitter with the quick eye and the punch in both hands.' In similar terms much later, Robert Menzies in *Afternoon Light* would concur that Lyons was a 'brilliant parliamentarian ... no secondary person' and had 'a real command of the House'.

On 16 November, the debate over the Ottawa Agreement concluded and the motion was put. Tension, as the *Canberra Times* reported, was extremely high in the House. So much so that when Lyons moved that the motion be put and said he was about to 'add a few words', it was all too much for Labor MP Norman Makin, who jumped from his seat and moved that the Prime Minister be no longer heard. The rest of the House agreed. They had heard enough. When Makin's motion was put, under Standing Orders, all government MPs supported it. And so the Ottawa Agreement passed the House of Representatives close to midnight. The Lyons

Government had ended its first year on a high. Lyons had reported also that Australia had a budget surplus of £2 707 000 for the four months to 31 October. On 10 November, although announcing a cut in pensions, Lyons was able to outline a series of tax cuts with more to follow.

Cartoonists, especially for the *Australian Worker* and *Smith's Weekly*, had enjoyed the first year with Lyons. With some, he had slipped on huge banana peels in disputes over Australia's removal of duties on Fiji bananas, he had been caricatured in a business suit trying to save the drowning unemployed with an empty tin can on a rope and stick, he was 'Honest Joe' the schoolmaster with a list of unanswerable questions for old age pensioners to complete before they were given their pensions, while the *World* in Sydney developed a stuffed lion (Lyons) as 'King of the Beasts' who performed various tricks for the ringmaster of Ottawa. While Lyons' hairline sometimes turned him into a cartoonist's koala, in 1932 he was more often seen as a rotund, waistcoated business figure mucking about with affairs of state. The *Herald* in Melbourne, where Lyons received most favourable attention at this time, ended the year with Lyons as Santa Claus carrying a big sack of 'Tax Relief'. The *Australian Worker*, unfazed by giveaways to taxpayers, instead chose to depict Lyons as a milkmaid carrying her full pails from 'Old Age Pensions' (the cow) to 'Big Business' (fat gentleman). *Smith's Weekly* developed Lyons as a caricature of 'Sinbad the Sailor' who danced on deck as political figures lolled about in the muddle he was creating. That many of these cartoons were kept by Joe and Enid Lyons, and later left for the National Library of Australia's Lyons collections, says a lot about the couple's fair-mindedness and the confidence they felt in their positions.

As the year closed, Enid Lyons was reported entertaining a host of notable women at the Lodge, including Tom Lyons' wife, Mavis, and launching the annual Christmas appeal with Lady Isaacs. On 13 December, Joe and Enid arrived in Devonport on the *Nairana*

accompanied by their youngest children, who were eager to join their older siblings coming home from Tasmanian boarding schools for the Christmas holidays. Within days, however, the Joe Lyons caravan had moved on once more, with Tasmania's press reporting Lyons' extensive tour of the north-west of the state. Along the way he called into the Smithton State School. At this, how his old mate Horace Bond Pithouse would have chuckled.

15



Lyons and the Great Depression

I wish I had someone nice to sleep with! What about coming over.

Joe Lyons to Enid Lyons, c. 1933

At Cambridge University over October and November 1933, Australian economist Douglas Copland gave the Alfred Marshall lectures. These were later published as *Australia in the World Crisis, 1929–1933*. The lectures captured Copland's story as one of the leading minds behind the strategies undertaken in Australia through 1930 to 1933 to combat the global downturn that had all but paralysed the Australian economy. In reviewing the published lectures for the March 1935 *Economic Journal*, A F Plumptre acknowledged Australia as a benchmark for recovery elsewhere:

No economist can fail to be interested in Australia where, for the past four years, the plans of the Economic Men have been put into practice ... Canadian economists, no doubt in common with those of other Dominions and young countries, have had

the Australian success upon their minds, if not their consciences, for some years.

Australia and Britain recovered more rapidly than most from the worst of the financial downturn of 1929–30. Even so, the debate over the global depression of the 1930s has continued for decades, especially over Australia's Premiers' Plan. J M Keynes himself, commenting from London on 25 May 1932 (as reported in the *Sydney Morning Herald* on 27 June), wrote that the Premiers' Plan had saved Australia. He went on to caution strongly against any renewed debt. Whether the stringency of wage cuts might have been avoided (all economists associated with the Premiers' Plan believed these were essential) continues to puzzle students. William Coleman in *Giblin's Platoon* casts aspersions on Giblin's defence of the plan a decade after it evolved, writing that 'reputations – perhaps unwittingly – had been invested in the plan'. Keynes, also, while acknowledging Australia's exceptional recovery, disagreed with the reduction in wages because he recognised that Australia had 'done so much already, and has been relatively so successful in the programme of necessary readjustment'. In other words, in June 1932, Keynes was pushing for a little less harsh medicine because Australia was no longer in such economic depression as others globally.

Much of this success can be accounted for by Australia's 'orthodox' economics and refusal to allow default. What's more, as UK economic historian Nicholas Crafts pointed out in the *Sunday Times* on 28 November 2010, had Australia defaulted on overseas loans it would have crippled its future a great deal; countries that defaulted in the 1930s, such as those of Latin America, faced long periods of stagnation as future investment and loans dried up and international confidence in their reliability vanished.

Australia's economic recovery did indeed begin around mid-1932. So where does that leave Joe Lyons? In the eagerness to embrace a stimulate-or-perish approach to economic downturn,

many have looked back at the Lyons Government and failed to recognise that Australia's conservative approach far overshadowed that of the USA. Geoffrey Barker in November 2008, writing for *Inside Story*, missed this point entirely when referring to Australian politicians' 'futile efforts' in May 1932 to 'ease the great depression'. What Barker failed to recall was that the New Deal in the USA failed miserably to either bring down staggering unemployment rates right up to the outbreak of the Second World War, or to kick-start capital investment in the US economy from private interests.

As Douglas Copland explained in his 1933 Alfred Marshall lectures, the Australian Depression of 1929–32 had unique features. Not only did Australia enter its downturn ahead of the world, it did so with a crippling debt crisis that was soon followed by a credit crisis from 1930 to 1931. The Premiers' Plan of mid-1931, what Copland called a 'plan' and William Coleman calls a 'deal', was the inevitable outcome of both politics and economics. That Joe Lyons and John Latham were called in to participate in the premiers' conference was an acknowledgment from the Scullin Government of their importance to any national acceptance of the plan.

After the states and Commonwealth agreed to the Premiers' Plan, the 1931 Debt Conversion Agreement Acts brought about conversion of all internal debt, and provision for reducing private interest on investments such as securities and mortgages by some 22.5 per cent, with the government agreeing to abolish the 7.5 per cent tax on savings. The conversion to lower rates was compulsory, so was for some time opposed by the UAP. In fact, opposition to compulsion became a rallying cry for the UAP before the December 1931 election. Such was the faith in the Lyons leadership, however, that after the UAP won government the lower rates of return on investment became accepted as Lyons talked steadily of the need to share the burden of financial recovery across all levels. And, as Copland argued in his Cambridge lectures, the legislation was a temporary measure only, to deal with a time of crisis. By 1933,

Copland could report that savings were again increasing and there had been no flight of capital.

Throughout his years as a minister and political leader, Lyons was mindful of the opinions of experts. He had been impressed by Lyndhurst Giblin's advice in helping to turn around the economic malaise in Tasmania in the mid-1920s. Likewise he absorbed the analysis and warnings of Giblin's economist colleagues such as Copland and Brigden. As the National Library of Australia archive collections show, the men wrote to Lyons of their ideas and gave advice during his time as Acting Treasurer in the Scullin Government, as opposition leader and as UAP Prime Minister. Lyons' steadfast belief in the need to balance budgets, lower costs to business and restore confidence was founded in the analysis from these men. That they did not always agree did not shake Lyons. He was clear in what he wanted for Australia – and his methods were not always familiar in politics to this time, especially in his ability to delegate and to manage rather than command. His strength was his determination and ability to rally confidence. Summing up the way Lyons achieved his years at the helm, C B Schedvin believed:

Lyons was not a leader in the dynamic and ruthless mould, but rather the tactful and restrained chairman of the committee. This type of leadership was exactly suited to the management of a Cabinet containing so many experienced men; a more dominating personality would have found it difficult to hold together the uneasy coalition which compromised the UAP.

But, from this, myths have multiplied.

The period 1931 to the eve of the Second World War, for Australian historians, has lacked what C B Schedvin called 'drama and eventfulness'. The colourful style of Lang had gone, the mayhem of the Scullin Government had moved backstage. And the story of politics became far less about schemes and easily categorised movements and more about the month by month management of a stable

democracy. William Coleman captures something of this, writing of the frustrations of Giblin in 1932 over Keynes' criticism of the Bruce Wallace Report, which Giblin had advised on just before the defeat of Lang. As Coleman put it: 'Lang was defeated massively in June 1932. Order had been secured. Unemployment slowly subsided. Finances improved. The fire slowly burnt out.' At this point, history books jump over Lyons and pick up again at the next excitement – his death, the advent of Menzies, on to the Second World War and John Curtin. But history is what happened – not simply what historians choose to write about. The Great Depression changed Australia fundamentally but not because Joe Lyons may have had a plan to change it. The Australian economy changed as it withstood the stress of financial crisis and because of the response leaders like Joe Lyons made in bringing the nation to recovery. Lyons, too, would leave his imprint on Australian institutional and economic design in significant ways.

The Lyons period was governed by what C B Schedvin calls 'the canons of sound finance'. It was these canons that returned to average Australians the trust in government that had collapsed in the last year of the Scullin Government and was increasingly lacking in the last of the Bruce–Page years. Australians have demonstrated over decades that they will not tolerate for long uncertainty in government – whether from weak minority government or divisions in the party of government. What the Lyons period gave Australians was stability and eventual growth. Schedvin has also demonstrated an important shift in production and employment in Australia during the recovery years of the 1930s. When agriculture and the pastoral industries began enjoying rising commodity prices after 1933, they were no longer the great employers.

As the impact of the revised tariffs took effect, Australian manufacturing developed as the new mass employer of Australians. The Lyons policy of lowered wages and continued protected industry, combined with cheaper raw materials in the Depression and a

decrease in imports (which had increased in price due to tariffs), set in train new and profitable manufacturing industries. This started with a mini-boom in textiles through 1932–33 that offered employment to women and moved into heavy metals thereafter. From the mid-to-late 1930s, the Commonwealth Government also invested increasingly in defence industries and armaments, taking up this new manufacturing capacity. Alan Green and Gordon Sparkes, in 'A Macro Interpretation of Recovery: Australia and Canada', summarise Australia's 'main impetus' to recovery after 1932 as being 'derived from the effect of tariff increases on imports in 1932 and 1933'.

But underpinning this new growth was stable government. It was Lyons' great achievement to have held the UAP together and, after the 1934 election, coalitioned successfully with the Country Party in spite of Earle Page's notions of self-importance. Lyons also kept Billy Hughes under control for most of the time, using him eventually to head up a recruitment drive for the Australian Defence Force in 1938. Alongside stable government, it was Lyons' firm belief that Australia, as fundamentally a trading and exporting nation, would only recover properly as the income from healthy exports returned. To this end, policies of reducing costs to the manufacturer at home and a vigorous program of attracting new markets abroad were fundamentals in the Lyons administrations. In this, Lyons recognised what successive Australian governments have endorsed since the economic reforms of the 1980s. In Lyons' Budget speech in September 1932, he acknowledged the crucial importance of the stringencies of the Premiers' Plan and 'the most bitter suffering' that would have ensued without those measures. He then carefully listed the positives starting then to emerge: falling deficits, the importance of conversion to lower interest rates for repayment of interest, the improvement in the stock market and improvements in Australia's balance of trade. He also cautioned about complacency, reminding his audience that Australia's floating debts, or short-term debts continually refinanced, were still high and that the temporary relief to

Australia from its obligations under the imperial war debts was just that – temporary. Lyons could point to gains for Australia from imperial preference and the Ottawa Agreement, but was also keen to point out that these were limited by time and circumstances and that there was still a mighty urgency to improve production and export income.

In 1932, the effort that would be needed to accomplish a more solvent future was not something that could be completed in one term of government. It was Lyons' achievement that he held the government together as long as he did in order to bring about that recovery. Lyons told parliament in his 1932 Budget speech that over 20 years, since their introduction, the cost to the government of pensions had blown out. This rate of spending had to be curtailed. It would become a familiar story over the following decades.

During the debate over the Financial Relief Bill, which was passed only after all-night sittings for both House of Representatives and Senate between 30 November and 2 December, Lyons appealed to parliament and the country 'to assist the Government in its effort to keep expenditure within the smallest possible compass, to limit the demands upon the Treasury to cases of real necessity, and to leave in the pockets of taxpayers every penny that the Treasury can do without'. The management of this frugality over the following six years under Lyons was essentially pragmatic, and assailed by all manner of dissidents. Markets proved elusive and mercurial, tariffs both advantaged and discriminated against markets, agreements between Canada and the USA cut between harmonious Dominion relations, and trade relations ebbed and flowed with Japan. Lyons' ministers came and went. By 1933, much of the press were interpreting these ups and downs as weakness. And it took a deal of strength to persist as Lyons did – and continue to win elections into the late 1930s. In fact, Lyons had the mettle for the messiness of democracy in ways many of his colleagues did not, yet another feature of abilities ahead of his time.

Democracy is messy

The UAP did not long outlive Joe Lyons in any effective sense. Cobbled together out of political expediency, it was a party of action without elaborate party rules or even a mission statement. Unlike the Labor Party with its tribal loyalties, trade union connections, party machine, formal executive structure and regular state and national conferences, the UAP operated as a collection of seasoned political colleagues – many of whom were rivals – supported by a well-oiled fund-raising machine and loose political movement working out of its Bligh Street, Sydney headquarters. For a time in 1932, Alex Bagot from the South Australian Citizens League acted as a private secretary to Lyons. As the head of this collective, Lyons benefited from his long experience with the discipline and factional workings of his former Labor stronghold. He well knew how to sit out the petulance of some, listen to the grievances of others, and strategise around the potential and predictability of many. With the win for the UAP in New South Wales after Lang's sacking, NSW Premier Bertram Stevens became a new hero to deal with on the UAP block. Stevens was already comparing himself to US President Roosevelt, as US Consul J P Moffat noted in his diary entry for 16 October 1935. And a small group in the UAP were now pushing for Stevens to move to federal politics to topple Lyons.

Speculation around Stevens and others would continue for some time, mostly because a few arch conservatives never accepted that a former Labor man could lead them for long. In his memoirs, Earle Page records how, prior to the 1934 election, he told his party he was prepared to resign his seat to allow Bruce to return to Australian politics – the idea being that Bruce would take over from Lyons. The CP rejected the offer. Archdale Parkhill had early in the Lyons administration established his reputation in the House, with journalists noting his performances. The *Sydney Morning Herald* 'From the Gallery' piece on 12 October 1933 opined that 'when Mr Parkhill

speaks, something happens'. Then Robert Menzies entered federal politics after the 1934 election and Parkhill had a competitor. In late November 1935, J P Moffat spoke with Joe Lyons' good friend Tom Murray, a state MP for New South Wales. Murray assured Moffat that Lyons was feeling 'distinctly cheerful' and that he 'had been well aware of the intrigues going on in certain financial circles to oust him in favour of a bona fide conservative Prime Minister ... the two candidates for the mantle, Messrs Menzies and Archdale Parkhill, hated each other more than they hated Mr Lyons, with the result that his strategic position was of the best and he felt that all danger had now been removed'.

As New South Wales Premier, Bertram Stevens always found the terms of the Premiers' Plan more than he wanted to accept in a state that had ruined its economy under Lang. This was especially so in regard to cutting public service salaries. Stevens often proved extremely difficult to handle at premiers' meetings. The Lyons papers in the National Library of Australia contain a five-page handwritten letter from Casey to Lyons on 23 June 1934 as he hurried for the train to Canberra. The letter indicates that Stevens would often defy Commonwealth policy through the Loan Council at a time when, as Casey put it, 'State Governments' own figures represented a slipping back [over spending] for the first time since the premiers' plan'. In Casey's view, Stevens' tactics were 'simply dishonest'. Writing to Bruce on 2 November 1932, Lyons revealed his irritation at Stevens' political dissembling. Wrote Lyons:

We are now back in Canberra after having a most unpleasant week in Melbourne at the premiers' conference. We have got rid of Lang but unfortunately we now have a Stevens to contend with. At least one could go out and attack Lang in the open. In the case of Stevens, however, one is continually sabotaged from behind.

Lyons' criticism of Stevens here was over his use of the press to

telegraph his own case at the conference. On this occasion, the effect was to undermine the federal government's arguments with the Commonwealth Bank, which approved government borrowings. 'We had hoped for a loan of £20 million, partly for funding and partly for works,' wrote Lyons. 'There is not the slightest doubt that the propaganda put out by Stevens and the Bank of New South Wales killed this project, and thus we have to be content with a modest £8 million.'

The UAP and its government from 1932 had evolved out of an economic crisis. Unlike the National Government of Ramsay MacDonald in Britain, it had not been formed as a coalition of settled parties but from a merging of a small group of discontented Labor figures with a great many more solid political opposites. Lyons' significant achievement was that he remained leader long enough to implement policies while maintaining stability and restoring confidence. All this when Australians had known huge uncertainty through the devastation of the First World War and then, so soon after, global financial collapse. Added to this, Lyons was a leader who practised conciliation, at a time of belief that disorder could be prevented with conferencing and consultation. Emerging out of the Paris Peace Conference following the devastation of the First World War, the League of Nations began the modern era of international dialogue. The league's aims were peace through collective security and disarmament, and a belief that belligerent nations could be kept in check this way, and that better trade agreements and co-operation could build bridges and assist in global revival. As a result, the league began the modern idea of international negotiation and collaboration. Its aims would prove illusory as rogue states challenged its methods and broke ranks. In the face of such disintegration, Britain and its Dominions, league members and the USA fell back on subsidiary trade conferences, treaties, pacts and Imperial conferences in the hope of holding at bay global instability or any global outbreak of hostilities.

In Britain, by mid-1935, Ramsay MacDonald would be replaced by conservative MPs in the National Government coalition. In Australia, Lyons survived. UAP alignments did take their toll on some. For former Labor leader Jim Fenton, the transition to the UAP was not easy. As early as March 1932, Fenton was reported threatening to resign as Postmaster-General in the Lyons Government over a decision taken at a long and late night sitting of Cabinet to override his ministerial advice and shelve the Broadcasting Bill which would usher in the Australian Broadcasting Commission. The Bill dealt with bans on advertising on the national broadcaster. After Fenton's stand, the Bill was put to parliament but with substantial amendments. By October, Fenton had resigned from the ministry and spoke against his government's Ottawa Agreement legislation.

At the other extreme was Henry Gullett, who had no time for the Country Party. Yet by mid-1933 he was arguing for the UAP to form a coalition with Page out of sheer need to appease the Country Party. The Ottawa Agreement and the whole process of negotiation of new tariff schedules had adversely affected Gullett's health, requiring him to take breaks. By January 1933, he was forced to retire from the ministry. Writing to John Latham (a letter he copied by hand and sent to Joe Lyons) on 19 June 1933, Gullett outlined his grave reservations about the UAP's political position, describing it as wedged between Labor on one side and the Country Party on the other:

... we should safeguard as far as possible the interests of the UAP country members ... Menaced by Labor they must be, but we should do our best to reduce or remove the CP danger ...
Tariff – At present we are under a most damaging cross fire – from Labor in the cities & from CP in the country. Labor will be enemy enough without the CP.

Gullett, no doubt, felt Latham was the key to resistance against Page. Menzies, who also had no time for Page, had not yet entered

the federal sphere. Gullett continued: 'I don't like the prospect of coalition; nobody less. But in my view the leek must be eaten & in a somewhat large ration. Otherwise we endanger all that we have wrought ... the longer we wait the more we will have to concede.' Gullett also argued that the tariff adjustments the government would need to continue making under the imperial preference agreement at Ottawa would draw increasing flak from the CP. Best to align with the Country Party then, and discuss the alternatives in private.

The growing murmurs about Stevens going federal (which he never did) or even a return of Bruce kept up through mid-to-late 1933. On 12 June, as Lyons was about to make an extensive tour of Queensland with Enid, the Minister for Customs, Frederick Stewart, wrote a personal letter to Lyons offering to give up his seat of Parramatta for the Prime Minister so he might ease the burden of his time-consuming travel home to Tasmania and his electorate. Stewart was also influenced by the press reports and rumour mill suggesting there was a campaign to replace Lyons with Stevens. 'Having these things in mind,' he wrote, 'and believing it to be more urgent that you should retain the office than that I should continue in a safe seat, I am wondering if you would be interested in my constituency of Parramatta ... the chances of securing NSW support [for Stevens] would I believe be lessened were you associated with [NSW].'

Any speculation over a replacement for Lyons was mostly conjecture or mischief from a bored press. And while the rivals in Cabinet played off their various supporters against the other, Lyons continued to command the numbers. There was never any real attempt to unseat Lyons, and party headquarters was certainly not interested in replacing him as leader – not even two weeks before his death in 1939 when the president and secretary of the National Union sat down with Joe and Enid and convinced Lyons not to retire. UAP headquarters lacked confidence that Robert Menzies – the new star

for some after the 1934 election – was popular enough to win an election at a time when the UAP had been in government over two terms.

Bob Menzies had entered federal politics, on Lyons' encouragement, for the seat of Kooyong after John Latham retired before the 1934 election. Lyons had promised Menzies the Attorney-General's portfolio. Allan Martin's biography of Menzies argues that Lyons offered to stand aside from the leadership for Menzies should he agree to take the seat of Kooyong. But, unlike other stories of promised succession in Australian politics (Bob Hawke and Paul Keating / John Howard and Peter Costello), the evidence in the case of Lyons and Menzies is not clear, although there is evidence Lyons believed the UAP had enticed Menzies into politics with the promise he would succeed Lyons.

Lyons and Menzies had been the best of allies from the time of the November–December 1930 loan conversion, which Lyons led as Acting Treasurer. And Menzies had campaigned for Lyons strongly in 1931. Such was their close relationship, on 21 December 1932 on the letterhead of the Attorney-General's office of Victoria, Menzies wrote to Lyons asking help for his eldest brother, James Leslie Menzies. After returning from New York, Menzies' brother had been put on what might be termed the 'unattached list' in the Commonwealth public service. Menzies was hoping Lyons could intervene to offer his brother a permanent position in the Prime Minister's Department. The letter began: 'During our very pleasant political association I have refrained from asking you for any political favours ... but I hope you will permit me to break the rule just once.' In a letter, on 24 December, Lyons was able to assure Menzies that he had already acted through Mr McLaren of the Prime Minister's Department and been assured 'it would definitely be fixed up'.

As Menzies' interest in the top job became more obvious and party tensions around issues hotted up in 1936, Lyons wrote to Enid of having spoken to UAP operative E H Willis about

Menzies and having ‘told him that as we induced Menzies to come in, in the expectation that he would succeed me, I was quite prepared to stay in or go out according to their wish.’ But Willis had interrupted Lyons, saying, ‘our people are unanimously of the opinion that Menzies is not ready for the job’ and that Joe needed ‘to remain leader at the next election’. This is not the only evidence suggesting Lyons agreed a deal had been done – but when Menzies might take over was never mentioned. A personal (handwritten so no typist saw it) letter to Menzies from Lyons on 24 April 1936 – around the time Menzies was being questioned in the House of Representatives over taking a fee for service from the Victorian Government for appearing in a case before the Privy Council – referred to Menzies as his successor: ‘The day must come when, in the ordinary course of events, the leadership of the Party will devolve on you.’ Lyons had added that he had been willing to stand aside if the party wanted it. ‘For some time I have felt that the time had come for you to step into my shoes, both because you should be given the opportunity to use your talents for Australia’s benefit and because I felt I have done a pretty good job ... and am entitled to a rest.’ Lyons went on, however, to say that when he had put that ‘to the people in Melbourne and in Sydney’ the response was always that Lyons ‘brought something in the voting strength’ and so he was asked to continue as prime minister. All the evidence points to Lyons seeing his role as UAP parliamentary leader to be determined by the UAP headquarters. This was undoubtedly a consequence of how his original appointment as opposition leader in 1931 had come about, and the fact that he had come into conservative politics as one drafted from outside.

Over years, even as a Labor MP, Lyons played situations this way – leaving others to decide issues where he could reasonably step aside. He had not sought Canberra but had been asked to enter federal politics in 1929, he said as he left Labor in 1931. And this was true, although he had tried to win a federal seat in 1919. That

he was forced out of the Labor Party can also be reasonably argued, as Frank Green did, given the pressures on Lyons at the time. In parliament, Lyons had long learned not to fight issues he need not. Referring to the problem of the fringe paramilitary New Guard in parliament on 31 August 1932, Lyons argued that this was a state matter and should be dealt with by the NSW Government; it was not a federal matter. Because of this instinct in Lyons, it is most unlikely that he ever offered his position directly to Menzies at any point. Leadership of the UAP was a matter he would always leave to the organisation. Even when he desperately wanted to retire in March 1939, he let the UAP pressure him into staying on.

The speculation around Bruce returning as Prime Minister had no validity whatever. In 1932, Bruce had headed off to the UK to become Australia's Resident Minister. Parliament was left to debate the High Commissioner Bill while the Member for Flinders took over at Australia House on the retirement of Sir Granville Ryrie that year, but only as Resident Minister. Whether this was because Bruce wanted to keep his options open about his political role in Australia is not known. Bruce's job, as explained to parliament, was to work London financial circles for the conversion of a large NSW loan in November. On 28 February 1933, Lyons wrote to Bruce asking if he would take over as Australia's High Commissioner in London. In a long, somewhat discursive handwritten reply on 11 April, Bruce gave a detailed account of his pressing concerns for his private company Paterson, Laing & Bruce, then badly affected by the global financial downturn. He needed, he said, to spend too much time recovering the company to take the High Commissioner position. But he would consider it. His extended family and their financial security seemed to be Bruce's overwhelming concern in this letter, and he concluded rather glumly: 'I have great difficulty in seeing my self playing a really useful part in Australian politics again. I have grave doubts of my real value as an asset whether to the Govt or the party if actively engaged in politics in Australia.'

From mid-1932, Bruce had been a significant force in London as a financial go-between, which Lyons fully appreciated. In fact, Bruce was exactly where Lyons wanted him to stay, negotiating new terms and lower interest on chunks of Australia's borrowed funds. Bernard Attard, in *The High Commissioners*, points to a letter written by Richard Casey as a new MP to a senior British official in June 1932 where Casey described plainly the real role Bruce was playing as a minister abroad: '[Bruce is] more important in the near view at least than Ottawa. His real mission ... is to get by hook or crook (the latter not in the Lang sense) a reduction in our overseas interest burden.' Moreover, as David Lee has emphasised in *Stanley Melbourne Bruce: Australian Internationalist*, Australia needed to make its own stand in world affairs and could not rely entirely on the new collective security. Lyons had plans for Bruce. As speculation increased over Bruce returning to challenge Lyons in 1933, Bruce agreed to take up the High Commissioner role offered by Lyons.

On taking office, Lyons was well aware of the task ahead in relation to reducing costs, especially the high payments Australia needed to make in regard to interest on overseas loans. Even as late as 1935–36, the Lyons Government was acutely worried about interest payments as high as £26 million a year, as Henry Gullett told J P Moffat in a briefing in March 1936. Ironically, as the Prime Minister at the time when much of this borrowed largesse had been instigated, it was Bruce as Resident Minister who had to negotiate with British bondholders and financiers for conversion to lower rates of interest on the many loans Australia owed from the 1920s. Much of this is described in Cecil Edwards' *Bruce of Melbourne* and Bernard Attard's chapter in *The High Commissioners*. Bruce's strong card in London was the UAP's argument prior to the 1931 election, as Cecil Edwards put it, that 'overseas bondholders would benefit from Australia's self-discipline and should voluntarily reward Australia for it'. Joe Lyons had regarded Lang as a particular foe in this, with the largest state of the Commonwealth in early 1932 prepared to

jeopardise Australia's case in London for loan conversions. Bruce was also able to make good use of Lord Glendyne, the UK financier who handled Australian borrowing in the UK. It was Glendyne to whom Staniforth Ricketson had gone (unsuccessfully) in the dark days of 1930 seeking funds to finance a new political party in Australia.

The conversion negotiations went on well into 1933, with Lyons cabling Bruce that Australian taxpayers' patience was running low and that popular feeling against interest payments could not be contained for much longer. Australian attitudes against British money-lenders were acute when so many ordinary Australians were without jobs. Bruce was still arguing his case in June 1933, privately and patiently, at times even threatening that Australia would join debtor nations opposing the UK intransigence. It was a close-run thing, with Neville Chamberlain, as a dour and tight Chancellor of the Exchequer, exercising a hard-nosed attitude to the Dominion debtor. In the end, Britain agreed to the conversion of £76 million for lowered rates. This was followed by £37 million in 1934, £35 million in 1935 and £41 million in 1936. By mid-1936, some £4 million sterling per year had been saved in Australia's annual interest and exchange charges.

Bruce was used by Lyons in the best possible way. On 6 October 1933, a day after the *Sydney Morning Herald* had opined that Bruce should return to take over the Prime Minister's job ('Demand for Bruce' it was headed), Lyons wrote to Enid, who had returned to Devonport to give birth to their twelfth child, Janice, telling of his amusement at how events regarding Bruce had turned out. 'Dear Old Mate,' Joe began, immediately continuing with thoughts for his wife as she prepared for the birth, and wishing he could be with her. He noted also that Latham was showing signs of exhaustion, with a physical complaint – probably some sort of rash – on his face that came whenever Latham was very run down. The toll of government often wore more heavily on Lyons' lieutenants than on Lyons himself in these years. But then Lyons moved on to reflect on press

speculation about his leadership: 'The *SMH* continues its campaign ostensibly for Bruce but in effect against me but all the people who are worthwhile stick to me including the party and cabinet ... It must have been a blow to them today to publish Bruce's resignation when yesterday they demanded his return.'

There was no doubt that Joe Lyons carried the UAP through its years in government with his appeal to the electorate, his management of the skills of his team and their replacements, and the delivery of gradual recovery. A majority of the UAP stuck with him as the moderate man of the people in a party not often seen as representing the grass roots. None could have managed Australia through its Depression years quite as well as Joe Lyons, especially since Labor remained divided and troubled. In July 1933, it was Lyons' initiative as a former state premier to create the Commonwealth Grants Commission. This came in response to the endless pressure from state premiers as to the adequacy of their federal grants, which were heatedly contested each season in the parliament, and at a time when the states' debts were a major worry in Commonwealth expenditure. The initiative was to be a tangible, easily noted legacy from Lyons, whose strength at survival is not so readily recalled by historians. But media figures who might have wanted better from Lyons, like Delamore McCay, editor-in-chief of the *Sun Newspapers*, could only report a sad story for Labor before 1936. In September 1935, travelling to his post from the USA, the new US consul to Sydney, Jay Pierrepont (JP) Moffat, commented in his diary that McCay had advised him how 'Labor is badly split'. McCay's view of Lyons was equally dismissive – 'strong – though unpopular – man', explaining to Moffat that Lyons' continued success was because 'the Australian in bad times naturally turned conservative'.

Lyons was certainly not popular with the print media by 1935, and Moffat noted in his diary that 'Mr Lyons has as many troubles with the press as the average American official, maybe more'. It was

not that Lyons disliked journalists – in fact he enjoyed their company and gave much of his time to them. Irvine Douglas recounts some of these occasions in his National Library of Australia interview. But, as Douglas concedes, Lyons hated the bite of press criticism and once asked Bruce how he could stand it. Bruce replied: ‘I never read the ruddy stuff.’ In spite of this, Joe Lyons’ hold on government continued to satisfy a majority of Australians in particularly tough economic times, and his appeal to ordinary Australians most often came through his frequent radio broadcasts. By the late 1930s, Australia stood in stark contrast with the USA, where President Franklin D Roosevelt certainly had a plan, one that experimented with notions of a command economy through his New Deal, investing millions of taxpayer dollars. But the New Deal, as Amity Shlaes has demonstrated comprehensively in *The Forgotten Man*, failed in the 1930s and was saved only by the industrial expansion of world war in the early 1940s. Franklin Roosevelt saw himself, however, not as a social engineer but as a moral leader. And he was a charming public figure with an expert political machine that delivered friendly photographic material to the media.

Roosevelt’s image was one of grappling with monsters – from national financial crisis, added to by drought in the mid-1930s, to living with the effects of a paralysis attack in 1921 which had left him unable to walk, and, later, war. Very few photos exist of Franklin D Roosevelt wheelchair-bound, but his iron frames show at times beneath his trouser legs and he is always pictured sitting down. Here was a man of great personal strength, an example to all of courage and determination. He became father to a nation. Joe Lyons, on the other hand, was far less able to manipulate mass anger against class enemies in the colourful way of Roosevelt, nor was he inclined to take that option. Lyons was unstintingly pragmatic, believing only in real outcomes rather than elusive dreams. In this, he had much in common with Neville Chamberlain in the UK, where the recovery from the Great Depression was also more rapid than in the USA.

From 1934, figures showed that Australia had turned the Depression around. Unemployment had gone from a high of 29 per cent at the end of the Scullin Government to 16 per cent by 1935. In the USA, unemployment remained well over 21 per cent, with costs to business skyrocketing from taxes and charges and the regulations of the New Deal. In July 1935, Joe and Enid Lyons stayed at the White House with the Roosevelts, and both very much enjoyed the hospitality extended to them. The Lyons couple were on their way back from Europe, Lyons having briefly met Benito Mussolini, who had charmed Enid Lyons by sending her flowers. In the USA, the country inspired by the New Deal, there was much praise for the building projects of Mussolini's Italy.

Joe Lyons and Franklin D Roosevelt stayed up late discussing politics, their countries and the world's alliances. Whether Lyons and Roosevelt discussed their respective unemployment queues is not recorded but it is unlikely they ignored the topic. Roosevelt might have wondered what practical differences there had been for Australia with a much smaller unemployment rate; his New Deal had invested millions and seen far less. By the end of 1937, in comparison to the seventeen per cent unemployed in the USA, Australia had made single digit figures. Unemployment was back to nine per cent. And tracking down.

16



Prime Minister at large

I'm almost reconciled to the London trip when
I think of the way you'll put it over the natives
there.

Joe Lyons to Enid Lyons, late 1934

When, on 4 October 1933, Joe Lyons was questioned in the House over his decision to broadcast a speech outlining the main features of his Budget, he replied: 'I think that the listeners – the people of Australia – as well as those who are present in this chamber this afternoon, are entitled to know the nature of what the Government proposes in its financial statement.' He was right. The Prime Minister intended to broadcast his speech on the Budget not only through 'A Class' radio stations (or the ABC) but also on 'B Class' stations or what would soon be known as the commercial networks. The print media was still by far the most widely used news medium, but radio was rapidly invading voters' lives.

Recollections of the 1930s have been too often clouded by the tragic tales of unemployment and financial collapse, and by the long years it took for marked prosperity to return. All this is just part of

the story. In fact, throughout the 1930s, a communications upheaval was taking place even as many ordinary citizens found it hard to pay their rent or buy enough food. Communications – over the air, in the air and by land and sea – were on a roll. For Australians, so distant from the majority of the populations of the globe, this was a revolution of sorts. It also explains much of the success of Joe Lyons and the UAP over these years. Australian historians have all too often missed this in assessing the Lyons years, concentrating on fashionable clichés passed on by Lyons’ opponents. This dismissive approach is best exemplified in Anne Tiernan and Patrick Weller’s *Learning to be a Minister: Heroic Expectations and Practical Realities*, where the Lyons years get a bare mention, namely, ‘Joe Lyons stumbled through a decade in office.’ And this from two academics with no first hand experience of government, and evidently with little sense of the realities in which the Lyons governments prevailed.

Lyons was a people’s leader who presented well in a new media age. His family and its many stories made good copy; he also sounded good on radio and appeared before cameras with a relaxed and easy style. Allan Fraser, the Member for Eden-Monaro from 1942 to 1966 and a political journalist in the 1930s, told Professor Colin Hughes for the ABC TV’s ‘Mister Prime Minister’ series that Lyons ‘liked the press and the press liked him’. In addition, Lyons’ well-heeled financial backers at UAP party headquarters were ready to use the cutting-edge technology of their day in communicating government policy and messages to average Australians. A UAP film made for the 1931 election campaign presented a confident Joe Lyons, speaking direct to camera, word perfect. Lyons had an Australian, but educated, accent, and an intonation of vowels that occasionally betrayed the influence of an Irish mother. The ‘a’ a little shortened, an ‘r’ sometimes with an ‘oirish’ flourish. This was matched with his slightly nasal and tenor quality voice. In this UAP film, his clear grasp of the detail of the political situation Australians faced and his ability to explain in plain and comprehensive

language the options as he saw them for voters made him a stand-out figure for Australians to trust as he wrapped up his message firmly with an appeal for the 'complete restoration of confidence in government finance'. Meanwhile, the Labor Party remained bogged down in party disputes over control. Lang would lead Labor until 1939 in New South Wales, with Joe Lyons able to campaign at the 1934 election asking voters, if the ALP won, would it be Mr Scullin or Mr Lang who would rule them? Ahead of their opponents tactically and financially since the surge in citizens league membership of 1931, Lyons and the UAP skilfully employed advanced new media alongside newsprint to put across their message. The 1934 election would demonstrate their best effort in this.

Bridget Griffin-Foley has charted how radio blossomed in the 1930s in *Changing Stations: The Story of Australian Commercial Radio*. November 1937 saw the one millionth radio licence issued and Griffin-Foley calculates this as two in every three homes with a radio. Amateur radio enthusiasts pushed the boom, and by 1935 the government had already begun to regulate multi-media ownership. Joe Lyons had been Postmaster-General in 1930 when Keith Murdoch's *Adelaide Advertiser* was granted a radio licence. Such had been the expansion of commercial or B Class radio stations by chains and networks linked to newspaper conglomerates that a growing feeling against news and entertainment controlled by a few private companies led to new regulations being enacted to prevent any one company owning more than eight stations. Among the National Library of Australia's Murdoch papers, there is a letter Murdoch sent to Lyons on 25 November in 1935 protesting at these new regulations, which Murdoch claimed were an attempt to undermine Amalgamated Wireless Australia (AWA), the chief operator of Australia's radio chains. He condemned the use of the word 'monopoly' in arguments against commercial radio chains, and challenged Lyons not to stray from the promise to his electors of 'liberty for individual effort' on the 'wrong statements of facts'.

Murdoch pointed out that the government-sponsored ABC radio was so well endowed it would never be outbid by the commercials, which, for all their lack of government funding, still attracted most listeners. Lyons was a frequent broadcaster on B Class radio stations for this reason.

An intellectual snobbery developed around A Class radio programming from its earliest years, but commercial radio, so attractive to ordinary people, still saw more rapid development in spite of the cost of subscriptions. In May 1937, ACTU Secretary Charles Crofts argued before Justice George Dethridge that 'every home, however poor they may be, is entitled to a radio in the house'. When Dethridge challenged this view, the outcry from broadcasters and affiliated newspapers was that the judge was saying ordinary Australians should not have radios. As with new media half a century later, there was no stopping it. On 13 September 1934, the *Catholic Press* sniffed at the announcement that the Lyons Government had granted a B Class licence to the UAP. Lyons' reply to critics was that there were Labor Party B Class radio stations in Melbourne and Sydney and the UAP was merely catching up. The *Catholic Press*, however, wondered if political propaganda would satisfy listeners like tired workers who preferred 'the soothing influence of the crooner' or children 'eager to hear Uncle John's bedtime stories'.

Beyond the airwaves, telephonic communications, cars, improved sea vessels (steamers) and airplanes were also making a new and better connected world. Entries in the 1935 and 1936 diaries of US Consul J P Moffat in Sydney indicate that a large part of his diplomatic brief was to gain Australia's support for the US Matson Steamship Line to operate the Tasman route alongside the British Union Line. The growing use by Australians of motor vehicles pushed the development of an Australian oil industry through the 1930s. The Lyons Government, as Andrew Ross in *Armed and Ready* describes, moved to develop industry technology throughout its years in office, seeing the growth of improved secondary industry

as a major initiative in both export income and employment for many Australians. And the growth in telephone services in Australia, through 1932 to 1934, seemed to chart the economic recovery, with Lyons telling parliament on 24 July 1934 that after two years of losses, there had been a gain of 3036 telephones in 1932–23 and a gain of 13 740 in 1933–34. By the mid-1930s, international phone connections were commonly used in government. These were invaluable for Lyons, who could communicate brief messages instantly across the globe, especially to Bruce in London or ministers on missions abroad. Patrick Weller records in *Cabinet Government in Australia, 1901–2006* how from London in 1937, Lyons was able to draft and polish the words he wanted to add to a submission on the 40-hour week. The drafts went back and forth until Acting Prime Minister Page cabled that a telephone call might cut through more quickly. Lyons made the call.

As the 1934 election campaign neared an end, the *Canberra Times* reported that Parliament House had just received a ‘new all wave wireless receiving set of the most modern type’. This would enable MPs to keep up to date with international broadcasting stations and news from the other side of the world when parliament was sitting. Australia’s tyranny of distance was ebbing away. On the prime ministerial trip to Europe in 1935, Lyons and his staff conducted daily business aboard the *Otranto*, and by the end of the voyage to Europe had sent 8000 code words by wireless to London and received 10 000 code words in reply. The print media on board also made use of the wireless media. Steaming across the Indian Ocean on the *Otranto*, Lyons and Menzies et al. had learned of the UAP Victorian election victory on 2 March within hours of it happening. The *Canberra Times* reported on 5 March how, aboard ship, ‘A constant stream of Victorians visited the wireless office all day ... [it] has proved a boon.’ And alongside the use of wireless was the now rapidly advancing use of air transport for mail deliveries.

After returning from the First World War, Australian airmen

Wilmot Hudson Fysh and Paul McGinness had set up the Queensland and Northern Territory Aerial Services (Qantas) with grazier Fergus McMaster in 1920. In December 1934, Qantas Empire Airways Limited with Imperial Airways began the first UK–Australia air mail service. Simultaneously, Australia’s pioneer airmen Charles Kingsford-Smith and Charles Ulm were breaking flying records circumnavigating Australia, and across the Pacific and Tasman. As the 1934 election campaign got under way, Kingsford-Smith made headlines flying from Sydney to Perth in just ten and a half hours. In 1928, Ulm and ‘Smithy’ had formed Australian National Airways for private passenger, mail and air freight transport.

In his interview with the National Library of Australia, Irvine Douglas, who worked closely with Lyons as a press adviser from 1934, described how Lyons, while a minister in the Scullin Government, had avoided flying after a bad experience of a forced landing during a dust storm. It was only during the 1934 election campaign, with time at a premium, that he was forced to fly again – and, after an initial flight to Brisbane, was converted to air travel from then on. ‘He loved it,’ said Douglas. He also had great faith in the skill of aviator Charles Ulm. In August–September 1934, Charles Ulm placed his plane *Faith in Australia* at Joe Lyons’ disposal for the 1934 election campaign, moving the Prime Minister and his election team swiftly from state to state, and making possible last minute changes in the election itinerary, such as Lyons’ on-the-road decision to make a stopover in Melbourne en route to Wilmot two days before polling day. Enid Lyons was in a Melbourne hospital at the time recuperating from a serious operation. On this belatedly scheduled Melbourne visit, Joe dropped by to visit his wife, cameras and two young sons in tow, providing the local press with a large photo on election eve of the Lyons couple sitting together with Brendan and Barry, Enid carefully rugged up, in the grounds of St Benedict’s Hospital, Malvern. This would have pulled in quite a few last-minute votes. It also belied the frantic whistle-stop tour

Joe Lyons had been making far from Enid's side throughout most of the campaign. A few hours after the photo was taken, Lyons recorded a broadcast for radio using Melbourne's modern studios to make a final election appeal to all states of Australia. Voters were now seeing and hearing their PM as never before.

In northern Tasmania, the Lyons 1934 campaign made free use of Ulm's *Faith in Australia*. Reporting the campaign trail on 27 August, the *Age* described how Lyons had not only addressed twelve meetings in Tasmania in two and a half days, seven of them on one day, but also flown back from northern Tasmania's Western Junction aerodrome in dangerous weather on Sunday morning, accompanied by his eldest daughter, Sheila. On the way, they dropped leaflets on towns and hamlets along the coast before turning north to cross Bass Strait. The leaflets propagandised in fantastic fashion with a picture of *Faith of Australia* at the top followed by a bold message:

Have faith in Australia.

Pull together and pull Australia through.

Vote for Lyons and keep your Prime Minister in Tasmania.

This was also the election campaign in which speech amplifiers became common, with the *Age* predicting on 24 August that amplifiers would play a large part in the campaign. Radio company AWA, the paper reported, had produced the largest microphone in the world for election purposes, and it would be used mounted on top of a 'sedan car' with a range of three miles in favourable weather.

A Lyons personality cult

The Lyons media presence was felt keenly as Australians pulled out of the financial mire. Photographs had become a feature of the most popular newspapers with photo-spread pages halfway into the paper or on the Melbourne *Herald's* eye-catching front page.

And the Lyons caravan gave good copy. Mostly the Prime Minister and his ministers featured in what decades later would be judged as rather boring shots of men in suits. But for an era dominated by the power of the uniform and the suit, political leaders held expectations, and certain glamour, in an age before colour print media and television. On 1 January 1933, the *Sun Pictorial* ran a soft piece, complete with a photo of a busy PM on the telephone, 'A Day in the Life of the Prime Minister', bringing the busy schedules of a PM's day to the breakfast table. Such magazine articles were only in their infancy, but this piece was syndicated and run in different states. On 14 August, the morning after the Prime Minister's policy speech, the *Herald* was able to publish a round-up of speech highlights from Australian newspapers across the nation, such was the speed of communication for editors. People saw their prime minister on newsreels and in the press so often he became a recognisable figure as no other prime minister before had been. Irvine Douglas recalled how at Albury, between changes of train one Sunday, Lyons took a taxi to attend Mass at the local Catholic church. Lyons returned to the train amused that the taxi driver had told him he looked 'just like the prime minister'.

Increasingly, as the Lyons administrations endured, family snaps of the Lyons brood could be glimpsed. At Christmases in the late 1930s, they would line up or arrange the family on the lawns of the Lodge. It was one of the few times the whole family was together. In school uniforms, Enid (junior) and Moira Lyons met their parents on board their ocean liner as they arrived back in Sydney in 1935; a photo of Desmond Lyons saying goodbye to his parents with Robert Menzies had begun the journey. Sydney papers carried a delightful shot of young Enid and Moira Lyons with their cousins Marion and Trevor Glover over a table of afternoon refreshments in Sydney on the day Enid and Joe returned from their travels. It captured four well-bred school children in homely surrounds, just what every parent liked to see. The birth of the Lyons' twelfth child,

Janice, in October created another round of charming family snaps, and in March 1933, Desmond Lyons (aged sixteen) had drawn the attention of various newspapers after brilliant school results, a host of scholarship prizes and early entry to the University of Tasmania to study law. Joe Lyons sometimes travelled across Bass Strait taking one or other of his children to the mainland, often snapped by photographers for the press. Sheila Lyons gave her own account of the dramatic 1934 election campaign flight over northern Tasmania with Charles Ulm, while a report of five-year-old Brendan with his father going back to the Lodge in February 1933 was headlined 'Mr Lyons' Escort' in the Melbourne *Herald*. During the 1934 election campaign, the *Herald* also published a unique shot for a PM in the last days of a hectic campaign. After arriving at Laverton air field in Melbourne, Lyons was pictured walking with seven-year-old Brendan while carrying a diminutive Barry as they left their plane. On the *Mariposa*, returning to Australia via Hawaii from Canada, Joe was snapped strolling on deck with child movie star Shirley Temple, a photo that went around the world. Then there was Enid.

Within a year of winning government Lyons had given 'special permission', as the *Sun Pictorial* noted on 1 January 1933, for Enid Lyons to broadcast a 'New Year message'. Sent from Tasmania, Enid's words were 'picked up by the Beam station at Ballan' and 'relayed by phone to 3AK'. She would make a number of broadcasts over her years in the Lodge, so that even while suffering various illnesses during her years as first lady, Enid Lyons' presence continued with the public. After weeks in hospital in August and September of 1934, Enid Lyons returned to the Lodge as the Lyons Government settled into its second term in October, just in time to host extensive entertaining for the visit of the Duke of Gloucester, in Australia for the centenary celebrations for the state of Victoria. Her management here was crucial. As Robert Menzies noted in his diaries during the 1935 sea voyage with Lyons, the Prime Minister was not one for 'social chatter'. The photo of Joe and Enid Lyons at

the front doorway of the Lodge with the Duke gives no indication of Enid's long absence and was eventually chosen for the cover of the *Canberra Times*' annual that year. During the Lyons' six-month overseas trip to Europe and the USA in mid-1935, Enid Lyons made public speeches and wrote articles for Keith Murdoch's publications in Australia. Her energy and freshness of approach became a trademark.

Such was Enid Lyons' social success, she was often mistakenly judged the more talented of the pair, as in J P Moffat's diary for 25 August 1936 when he reflected on Enid's importance to the Prime Minister, writing that 'when she is not with him he seems to lose some of his self-confidence'. Perhaps Moffat had observed this at diplomatic gatherings, but it was certainly not the case for Lyons in his day-to-day government business, and never in parliament. Certainly there was no lack of confidence in Lyons when on 6 February 1936 he left Cabinet 'to continue wrangling in his absence' to pour a whiskey for Moffat, who had called on the Prime Minister at his office, and sit down for a fifteen-minute exchange on trade policy. Enid Lyons' assessment in her memoirs that she had never 'trumped' her husband's hand was accurate. Her talents were most felt in her media presence, which she continued for decades after Joe Lyons' death.

With improvements in communications, it was the Lyons family, so far and distant from their native island home, who made Canberra and the Lodge the centre of the Commonwealth. Stanley and Ethel Bruce had lived at the Lodge but had no children; Prime Minister Jim Scullin had chosen to reside at the Hotel Canberra rather than the Lodge and Sarah Scullin rarely came to Canberra. The Lyons family was the first real family to live in the national capital, its youngest children attending a local primary school, their parents seen about the town from time to time attending the Catholic church at St Christopher's in Manuka (albeit not for the cameras), amusing the little ones at the golf course and going on

picnics on rare weekends. And, as Brendan Lyons records in *They Loved Him to Death*, family life at the Lodge had its peculiarities. Buses of tourists would drive through the gates of the Prime Minister's official residence for a look at the Lodge as the gates were never locked and had no security guards. The Lyons children kept a good look-out when near the driveway so as not to be run down. At the same time, a few hundred yards away from the gate across an open paddock was a camp for the unemployed – 'hungry and desperate' men as Brendan Lyons describes them. The Lodge itself had small rooms, and not nearly enough for all its occupants. An upstairs verandah was enclosed to provide a bedroom for the younger boys. The dining room was barely large enough for a party of ten – or a crowded Lyons family meal – and unsuitable for formal dining occasions. But the children did enjoy the rare occasion of standing at the front gate to watch the Governor-General being escorted to parliament by 'a detachment of Light Horsemen in their traditional plumed slouch hats and mounted on their beautifully groomed, prancing horses'.

Canberra began to breathe slowly again with the Lyons years, in spite of Casey loathing life there and flying in and out in his own plane, or Menzies saying it was like 'exile' and rarely staying there for long. Economies were forced on government building plans, but work began on the Australian War Memorial under Lyons, and embassies and High Commissions began to open, even as the Lodge remained drab and lacked facilities, with Enid Lyons telling J P Moffat in 1936 that she could never consider it a home. There was also business interest in pushing Canberra as a centre for popular events. T S Nettlefold, a businessman known to Lyons from his time in Hobart and by the 1930s a UAP operative, caught up with the PM in 1933 as they travelled on the *Loongana* across Bass Strait. On board, Nettlefold put to Lyons, a proposition he followed up on the next day in a letter, that Canberra needed two Davis Cup quality tennis courts so it might be included as a venue in the competition.

‘I am putting up a fight to have Canberra recognised,’ wrote Nettlefold, ‘not only with regard to tennis but all other sporting activities.’

The Lyons circus goes federal

Communication distances were breaking down but the further flung extremities of the Federation in Western Australia and Queensland remained isolated from the south-eastern population clusters. In the more remote reaches of the Commonwealth and as the Depression took its toll, various separatist movements developed. The defeat of Lang as NSW Premier saw the New State Movement in New England peter out, but in Western Australia the push for secession continued. Western Australia held a state referendum on 8 April 1933, the day of the state election, over whether to secede from the Federation. In March, the Prime Minister, accompanied by his wife, had headed up a Commonwealth delegation consisting of WA Senator George Pearce (accompanied by Mrs Pearce), Senator Tom Brennan and the Assistant Secretary to the Treasury, Stuart McFarlane, to take part in the ‘No’ campaign. It was also a chance for the Lyons couple to introduce themselves to Western Australian voters. Latham became Acting Prime Minister in Lyons’ absence; it was as if the PM was leaving the country. Farewells in Canberra from colleagues were reported in various newspapers and the itinerary of the trip outlined stopping off points as for a very long journey. It was a serious excursion.

Lyons was no stranger to the plight of small states. He had himself contemplated the secession argument, or threat, as Labor leader in Tasmania; he had been instrumental in setting up the case for examination of Tasmania’s disabilities under Federation. Western Australia had been a strong ally in Tasmania’s case for a better deal from the Commonwealth. Now Lyons was looking at the problem the other way round. In announcing his visit to WA for the referendum campaign on 15 March, Lyons stressed his empathy for

smaller states but added that he was participating 'with the sole purpose of placing before the people the facts, a consideration of which may induce them to decide to remain within the Federation and have the grievances now exercising their minds remedied by the Commonwealth Parliament'. At many of their WA meetings, the Prime Minister and his ministers, as well as Enid, argued the federalist case, receiving both abuse and acclaim. On 8 April, Western Australia voted to secede, ironically at the same time tipping out the WA Nationalist state government that had been arguing in favour of secession. The referendum did not, however, validate Western Australia's wish to secede constitutionally, and the state was forced to remain in the Commonwealth. And its grievances, as Lyons had hoped, thus became the Commonwealth's to appease.

Western Australia had been badly affected by the collapse in commodity prices, especially wheat. With the Ottawa Agreement and the new round of tariffs under the imperial preference arrangements, the manufacturing states of the south-eastern seaboard had been able to pick up activity. Western Australia's complaints against the Commonwealth were not easily dealt with, even after the setting up of the Commonwealth Grants Commission. New Labor leader John Curtin, on 25 September 1935, put the state's case before the parliament: 'In 1930–31, Western Australia imported from the Eastern States goods to the value of £6 400 000. In 1934–35, the fiscal year just ended, that amount had grown to over £10 million, an increase of roughly £4 million in the consumption in Western Australia of the products of the factories of Victoria and New South Wales ... Queensland, too, has the same story to relate.' Australia's states still operated as if they were separate countries where an imbalance of trade existed.

Unsurprisingly, Joe and Enid Lyons made an extensive tour of Queensland a couple of months after their trip to Western Australia, taking the Lyons caravan to meet the locals. The national economy was showing signs of expansion by May 1933 when the

full bench of the Arbitration Court devised a scale to increase the basic wage in line with increases in the cost of living. With some good news to lean on, but with still many victims of a weak but readjusting economy that had not been kind to states depending on what Curtin termed the 'domestic' industries, Joe and Enid Lyons travelled through Queensland as far as Cairns, attending what Enid Lyons recalled were 'as many as seven different receptions in a day'. At one, Enid Lyons recorded an incident where a man was arrested for brandishing a gun at the Prime Minister as he was speaking. The incident was kept from the newspapers and no charges were laid, at the Prime Minister's insistence. The hostile audience was made up of some hundreds of tobacco growers who had been adversely affected by the Lyons Government's reversal of the Scullin tariffs on tobacco, opening local growers to more competition with imports.

This was the year Enid was expecting her twelfth child. Her exhausting travels with the Prime Minister to Western Australia and Queensland in her condition, and her appearances beside him at various meetings, were typical of the stamina the Lyons couple could muster when duty called. Robert Menzies, observing them after a heavy round of travel and appointments in London in 1935, remarked in his diary that as a team they were 'over-inclined to extract the last drop of juice from the orange'. Menzies' observation was as sharp as it was true, and offers an explanation for why Joe and Enid Lyons achieved as they did, and why, from time to time, Enid suffered both physical and nervous collapse, necessitating hospitalisation on several occasions. More rarely, Joe Lyons would suddenly be reported ill or forced to take a short break from Canberra. In November 1934, after having to leave a Cabinet meeting, he was rushed from Canberra by car to Sydney's St Vincent's hospital with abdominal pain that needed two injections of morphine to make him comfortable enough to tackle the drive. Although he recovered quickly, a week later the Melbourne *Herald* reported the PM was 'run down' and 'needs rest'.

Lyons was certainly aware that the 1934 election campaign was going to be a lot harder to win. The campaign took him on an exhausting schedule to most states, Western Australia the only exception. The *Mercury's* list of his 60 planned engagements, published on 8 August, showed the speed with which air travel now enabled a campaign leader to move from one state to another – from Toowoomba on 18 August to Melbourne on 19 August, for example – a feat not possible in the 1931 election. The Prime Minister's election policy speech was made in Sydney on 13 August and relayed throughout the nation by ABC Radio. In Tasmania on 9 August, Lyons' speech at the Deloraine Town Hall to an enthusiastic crowd of Wilmot supporters, outlining his government's achievements, was broadcast through B Class radio stations in Hobart, Launceston and Ulverstone, along with a reply from Tasmanian Labor leader Albert Ogilvie. Radio also forced the print media to convey the parties' policy points in a more digestible manner – such as the dot-point summary in the *Mercury* of Lyons' policy speech on 14 August. Electors may well have felt electioneering had become intrusive but the *Age* reported on 28 August that public attention had only just picked up and was finally 'steadily increasing'. Without the opinion polls of a half a century later, parties relied on press reports of meeting attendances and the feel of audience responses along the way.

The UAP could campaign on its economic record and exploit the continuing divisions in Labor, but recovery was sluggish and the gloss of 1931 and hopes for a quick fix had been spent. The result on 15 September 1934, although a good win for the non-Labor parties, left the UAP without an outright majority in the House. In Tasmania, Allan Guy lost Bass and the UAP retained only two House seats there. Of the Labor members who had joined the UAP in 1931, only Joe Lyons and Jack Price in South Australia had held their seats. The Senate, not then elected by proportional voting, was still woeful for Labor, where it held just four seats. Negotiations

soon opened between the UAP and the Country Party for a coalition. Lyons was a far tougher negotiator with the Country Party than Bruce had been in 1922. He rejected Page's wire containing the CP's terms, agreed to after an all-day meeting of the Country Party. Talks broke down and the UAP began the new parliament as a minority government.

Party tensions

Divisions became tense in the House until, on 23 October, Page forced Lyons' hand by opposing a motion for an adjournment of the House for the Melbourne Cup. On 2 November, as the House adjourned to allow a reconstituted ministry to be worked out, Lang Labor's John Rosevear, who had toppled Ted Theodore to win the seat of Dalley in 1931, accused UAP ministers of scuttling for cover, having by 'a process of underground engineering worthy of Guy Fawkes himself ... secured the co-operation of a rather unreliable party in order to remain in office'. The invective was typical of the Beasley-Lang group in the House, but it also revealed a certain disappointment at the resolution of differences on the non-Labor side of politics. The collaboration with the Country Party, however, would be a resolution that Lyons would contain, and at times use to his advantage in trade negotiations – but it would also sap his energies. By 9 November, both parties had found terms they could accept, with two ministerial positions (Earle Page as Minister for Commerce and Minister for Health and Tom Paterson as Minister for the Interior) and the deputy leadership going to the CP, as well as two assistant ministers' positions. It would not, however, be a Lyons–Page Government, as in the Bruce–Page coalition of the 1920s.

Three months after the 1934 election, in spite of several ministerial changes since 1932 and the tense negotiations with the Country Party, Lyons could report to Enid that 'matters political

are going fairly well'. He acknowledged, however, that there was 'a lot of unhappiness still in the party and a lot of disloyalty too'. One or two individuals within the Cabinet continued to feed negative thoughts about Lyons, whether out of frustrated ambition, rivalry or other grievances. The egos of many could not be stilled. Lyons added to Enid, however, 'The Country Party will be our salvation ... Page & his mates in the Cabinet are playing the game to the letter.' Allan Martin in his biography of Robert Menzies gives much space to impressions of Lyons sent by British Secretary to the Committee of Imperial Defence Maurice Hankey, who visited Australia with his wife at the time of the Duke of Gloucester's visit in October 1934, ostensibly on holiday but in fact to conduct secret meetings on Australia's defences. Hankey's mother was an Australian, he was especially close to Bruce in London and he had known Latham there too.

In various snatches of correspondence in mid-November, reporting to British Prime Minister Stanley Baldwin and Dominions chief Sir Edward Harding, the diminutive yet ubiquitous Hankey judged Lyons to be 'a frightfully decent old chap' – of itself harmless but containing rather dismissive faint praise. He also reported that Lyons had made a 'delightful speech' at the parliamentary dinner for the Duke and had told Hankey most of it had been written by Enid. Yet more faint praise. Hankey also opined that Lyons was a bit depressed and 'doubtful of his own future', an impression confirmed to Hankey by an unnamed Cabinet minister. Moreover, Hankey felt that his 'old friend J G Latham seems to have been the strong hand' which had 'ruled Lyons with a rod of iron'. To Hankey, Latham was 'a hard man and above all a realist' and a 'constant check on Lyons' sentimentalism'. Cabinet, Hankey reported, was 'very loose and rambling', upsetting for some of its ministers, and he added that his friend Casey, one of Lyons' most supportive ministers, 'gets exasperated at the waste of time'.

These opinions from a British public servant with very limited

experience of both the man he was judging and the circumstances in which he found him are to be taken as no more than hearsay. Who was informing Hankey and to what end is not revealed, nor is the context of the judgments. Certainly they are very impressionistic views and not always borne out by subsequent events. As for the report about Cabinet procedure, this came secondhand and the source is unknown. Certainly Casey was in touch with Bruce a year later during Lyons' absence from Australia, asking him to return to the Australian parliament so he could take over as a firmer hand. However, Lyons was in no sense depressed as Hankey might have assumed in late 1934. Frustrated, yes, but he was an old hand at political turmoil. As he wrote to Enid around this time, if one could not accept the rough and tumble of politics one should give it away.

Lyons had just finished an exhausting election campaign at the time of Hankey's visit, a very brief and unsatisfactory period of minority government and extended negotiations for a coalition with Page and the Country Party. His wife had undergone serious surgery in late August to early September 1934 and needed lengthy hospitalisation after the operation. In November, Enid had still not fully recovered in spite of being in Canberra for the Duke of Gloucester's visit in October and the first week of November. Lyons himself was forced to miss a couple of days of parliamentary sittings in mid-November due to illness. Whether worn out by the tensions of the months before or showing signs of the weak heart that a few years on would kill him is not recorded. But Lyons knew occasional unexpected incapacity, something of which can be seen in a letter to Enid around this time when he wrote, 'I don't know if the papers mentioned that I had been out of form during the week, but one day just as I should have been getting ready for the opening of the House I got a really bad attack and had to "scratch" for the event.' He told Enid he would send Rosemary and Brendan to the 'pictures' with the housekeeper that day so he could 'take a real rest'.

Most unfamiliar for the era, Lyons was a hands-on dad when he came home to the Lodge. The younger children were mostly cared for in Canberra, but they also spent time in Devonport. In a letter to Enid as she awaited their baby's birth in October 1933, Lyons wrote of having brought Allan Guy back to the Lodge for the weekend, and Guy was 'playing billiards with Brendan' while Joe wrote his letter. He then passed on news to Enid of Barry, who was staying with friends in Melbourne so he could have treatment from a recommended medical specialist for his lack of growth. On occasions, Lyons would also help out by taking one or two children with him to Sydney. Here they spent time with their cousins, children of Enid's sister Nell and husband Hubert Glover who had joined the Commonwealth Public Service after working briefly for Lyons and then for Allan Guy. Or, if on his way back to Devonport, Lyons might be seen travelling with a son or daughter who might be off to stay with their maternal grandparents or Enid's sister Annie in Burnie. In one letter Lyons joked at how he was not such a bad mother; he was managing quite well as Enid convalesced in Devonport, even organising new clothes for the children and paying bills, which had shown him how their money quickly went on paying for their children's needs.

Enid no doubt contributed to the speech for the Duke of Gloucester in October – that sort of puff occasion would not have been Lyons' preferred moment. But Lyons was never threatened by talking of his wife's talents. In fact he delighted in it and often overdid it in his relaxed confidence. In many ways, he brought on his own lack of recognition in his all-too-humble disregard for public acclaim. He would never accept a title, for example. Lyons made speeches daily that Enid had no hand in, nor even heard. She wrote in her memoirs of how she never went into Parliament House to listen to her husband in debate as he preferred no distractions. As for Latham's 'rod of iron' governing the Prime Minister's sentimentality, Hankey would have been surprised to read one of Lyons'

letters to Enid in late 1933 where he wrote: 'It is strange but I feel more capable of handling the job when poor old Latham is not here – he fidgets and worries himself into ill health.' Then, tongue in cheek somewhat, Joe added, 'We'll have just to manage when he has gone altogether.' Irvine Douglas told the National Library of Australia of how Lyons always passed on people's compliments to his colleagues rather than accept them himself. Douglas had witnessed Lyons being praised at public functions only to hear him say that it was not him but his 'mates' or 'John Latham' who deserved the praise. Latham would 'swell with pride', Douglas added.

Casey had written to Bruce in June 1935 asking him to return to Australia, as I M Cumpston points out in *Lord Bruce of Melbourne*, because he believed 'he had no future save in Bruce's return'. Casey's biographer W J Hudson writes of Casey's 'restlessness' for promotion and how he occasionally 'lacked judgement', such as when recommending higher taxes to pay for an increase in the dole. But Lyons, as he became aware of Casey's unhappiness, elevated Casey in the ministry on his return to Australia in August that year and, ready to face squarely any push for him to retire, asked Casey to write to Bruce enquiring what his 'intentions' were. Privately to Casey, Bruce declined the proposal that he should return – partly, he said, because he did not want to serve under Lyons and partly for the reasons he had given Lyons himself in 1933 when he had been at first unwilling to take the High Commissioner's position. The idea of aloof and wealthy Bruce as UAP prime minister appealing to a voting public at a time of high unemployment is hard to imagine. Casey, of substantial means himself, no doubt had little appreciation of the popular vote. In fact, Bruce was at the height of his influence on the European stage by then, not only in London but also at the League of Nations, where he had a seat on the council. And he loved it.

Running Australia, so far away from the action, seemed a poor alternative. As a league leader, Bruce had no voters to appease, just

the machinations of back room discussions followed up with grand speeches to captive audiences. Bruce was also convinced he could change the world through the league with a global nutrition drive, an idea taken from the work of the now forgotten but highly influential public servant Frank McDougall, whom Australian academic Sean Turnell resurrects in his article 'F L McDougall: Eminence Grise of Australian Economic Diplomacy' in *Australian Economic History Review*. With McDougall's research and theories around the expanding science of nutrition, agricultural protectionism and food surpluses alongside growing world malnutrition, Bruce pushed McDougall's global plan to connect markets, world food needs and rejuvenated world trade. For his efforts, the Australian Government would nominate Bruce – not McDougall – for a Nobel Peace Prize in December 1936. And Lyons would include aspects of McDougall's nutrition ideas in policy speeches.

In October 1935, Lyons made Casey the Treasurer, partly to appease his frustrations and possibly to give him greater influence in Cabinet against the rivals for deputy leader, Parkhill and Menzies. The ballot for deputy leader had been delayed since the retirement of Latham. Lyons had returned from Europe and the USA to lengthy debates in a parliament that had not sat since February, and a crisis over Italy's invasion of Abyssinia, which the House debated well into 1936. Lyons was desperate for a second-in-command. In the ballot for deputy in December, Robert Menzies won the spot over his rival, Parkhill. In mid-December, Lyons left Canberra for an extended Christmas break and a catch-up with his Tasmanian electors.

Apart from the tensions and rivalry on Lyons' side of the House, however, there were surprising conciliatory moments for Lyons, still the public enemy for so many tribal Labor supporters. 'Scullin is more than decent to me these days,' Lyons wrote to Enid from Canberra. 'He comes in and settles down for a real yarn. Says you would be amazed at the sectarianism at the Trades Hall.' They would chat over a Scotch, a drink Lyons enjoyed. Irvine Douglas recalled that

Lyons liked to relax with a Scotch but he never saw him the worse for it, only occasionally 'very bright'. Ben Chifley was another former Labor colleague who did not let the split get in the way of friendship. Chifley's biographer L F Crisp noted that between Lyons and Chifley 'a bond of mutual appreciation and human sympathy of a sort survived the bitterness of multiple schism'. Crisp relates how Prime Minister Lyons had opened the Bathurst Agricultural Show one year and afterwards sought out Chifley, who happened to be at the gate as a volunteer selling entry tickets. The two former colleagues chatted for half an hour – the Prime Minister keeping Chifley company while he 'stood watchfully at the receipt of custom'. It must have confused the Labor stalwarts who witnessed it.

Lyons was not the lone figure some writers have envisaged. Frank Green, in the ABC's 1966 'Mister Prime Minister' presented by Professor Colin Hughes, believed that most Labor parliamentarians at the time took the view that Lyons had been driven out of the Labor Party by a handful of radicals. He also believed that there was no hatred among most over Lyons, whom most Labor MPs genuinely liked. Even Frank Anstey, said Green, came to a belief that Lyons was driven out. As for his new tribal associates, it was true that Lyons had moved into social circles well removed from his Labor background. But Lyons had always mixed easily with businessmen and those of a well-heeled class from the time of his impoverished school teaching days and his friendship with the Baileys. During his time as Premier of Tasmania, Lyons had networked among the best of the business class for advice and support. He was gregarious even if not good at small talk at frothy social occasions. Herbert Gepp and Tom Nettlefold, important figures in business and politics, had worked with Lyons in Tasmania and continued to support his endeavours on the mainland, where their interests, like Lyons, had moved by the 1930s. Nettlefold regarded Joe as a good friend.

Philip Hart analysed in 'The Piper and the Tune', for Cameron Hazlehurst's *Australian Conservatism*, how the UAP backers

of 1931, and especially the Group of Six, became less influential in the later years of the Lyons Government. Kingsley Henderson and Staniforth Ricketson were the only two who kept in close touch with Lyons as he moved through Melbourne. Kingsley Henderson, in fact, became a close friend, as Enid Lyons recalled later in her writings, and Lyons was known to have stayed with him over days when in Melbourne. C A Norris cut his ties with Lyons in 1932, and Murdoch and Menzies were no longer backing him by the end of 1938. Hart writes that 'the remaining four continued as friends and confidants ... as illustrated when "our little group" congratulated the Prime Minister on becoming a Privy Councillor'. But, Hart adds, 'soon they were in contact with him only as individuals.' Some time after 1937, in an undated letter to Lyons, Ambrose Pratt referred to 'meeting you as Staniforth suggests next time you are in Melbourne'. Lyons had written to Pratt after seeing Ricketson and offered to support Pratt for some position in East Asia. Obviously, Pratt and Ricketson had easy access to Lyons and kept in touch, but mostly on an informal basis as friends.

Tom Murray, a Labor MLC in Sydney, was a close family friend to Lyons and often had Lyons to stay. The Murrays looked after the older Lyons girls as they gathered in Sydney following their father's collapse and subsequent death in April 1939. The UAP's Sydney Snow remained loyal to the end as a true friend, writing to Lyons in January 1939 that he saw Lyons as remaining the best leader for the UAP. But the bite in criticisms from Labor supporters often worried Enid, especially some in the Catholic press. Writing to her on one occasion, Joe told Enid he would like to offer her some advice: 'For Heaven's sake, don't worry about things like the Cath. Worker etc. [paper founded by B A Santamaria] I used to worry dreadfully and it got me nowhere – only upset me and made me miserable. Now I just either don't read them or say to myself, "You've done a pretty good job for Aust. And you can't work miracles." Also you must expect to be misrepresented and lied about as long as you are

in politics. The alternative is to get out.'

Then there was Tasmania. True, on the streets of towns there were many who did not forgive Lyons for leaving Labor. Many in the local Labor Party were especially bitter but time did heal in significant ways. Lyons' rift with Ogilvie, by 1936 the Tasmanian Premier, continued until just weeks before Lyons' death, when, as Ogilvie's biographer Michael Roe noted in *Albert Ogilvie and Stymie Gaba – World-Wise Tasmanians*, Lyons visited Ogilvie in hospital while in Hobart for a Cabinet meeting in February. Thereafter, Ogilvie let bygones be bygones. He even contacted Enid after Joe's death through an intermediary to say that if she wanted to run for Wilmot he would keep Labor from standing against her.

Returning to his electorate, Lyons had warm and welcoming mates. On his many homecomings, he hardly stopped from the moment he arrived, dropping in on old friends, his electoral groups and the many local supporters he had. In his final year, Lyons would long for the day he could return permanently to Tasmania, as most important figures long for rest at the end of wearying endeavours. But most importantly, Lyons remained the people's favourite, although political life was about to get a lot harder for the Lyons machine.

17



Trade winds

I lunched at the famous Royal Agricultural Show ... a long series of speeches including one by Mr Lyons. Today he wanted to please his audience, so emphasised the healthy side of Australian recovery; he also played up the importance of the primary producer in relation to Australia's secondary industries ... I saw him for a few moments afterwards and he was his usual friendly self ... but there was no mention of what was obviously on both our minds.

Diary of US Consul J P Moffat, 8 April 1936

Australia's crisis of debt and deficit from 1929 and the world economic crisis after the Wall Street stock market crash marked more than a domestic rethink on government spending and support for secondary industries. Beginning with the Ottawa Agreement in 1932 when the UK reached out to its Dominions for co-operation and fresh connections within Empire networks, trade forced new perspectives on Australian leaders. Economic imperatives now

stretched any vision of their homeland's place in the globe. In many ways, the 1930s would mark the first steps Australians took beyond a British heritage.

Addressing the House on 6 July 1934, External Affairs Minister John Latham gave his report on the Australian Eastern Mission. This was a novel enterprise without precedent for a British Dominion, which Prime Minister Lyons had asked Latham to lead to seven countries that year: China, Hong Kong, Japan, the Dutch East Indies, Malaya, French Indo-China and the Philippines. Within minutes of his opening remarks in parliament, Latham had challenged decades of Australian experience:

Our nearest neighbours, if one may use the phrase, are to be found in those countries which make up what is known as the Far East ... From our childhood we have been accustomed to read, think, and speak of the 'Far East'. It is the Far East to Europe ... but we must realise that it is the 'Near East' to Australia ... it is important that we should endeavour to develop and improve our relations with our near neighbours, whose fortunes are so important to us, not only in economic matters, but also in relation to the vital issues of peace and war.

The Lyons Government had been sworn in while newspapers reported Japan's takeover of Manchuria. From the outset, as David Bird has carefully charted in *JA Lyons – The 'Tame Tasmanian'*, the Lyons Government resisted any pressure from London to agree to sanctions against Japan. This, Bird argues, was a sign of Lyons' pacifist approach to foreign policy and early practice of appeasement. But it was also very much a result of what Defence Minister Senator George Pearce described to J P Moffat in February 1936: a sense of relief that Japan was pursuing its 'Continental' option in its expansionist ambitions rather than its 'Blue-water' option. As Sir George had told Moffat, 'what he really feared was lest the two schools of thought should decide to act at the self-same moment'.

This relaxed attitude in Australia to Japanese Manchukuo is also borne out in ANU Fellow D C S Sissons' article on trade diversion in *Australian Outlook* (December 1976), where he points to Japanese Ambassador Katsuji Debuchi's confidential report on 1935 discussions with Australian ministers Pearce and Hughes, who confirmed to Debuchi that the Japanese takeover of Manchuria had 'produced feelings of relief' in the Australian Cabinet that Japan's 'energies' had been diverted from the South Pacific. Apprehension at the expansion of a militaristic Japan into the Pacific governed Australian consciousness, even as Australian leaders like Lyons and Latham and business leaders like Herbert Gepp sought to approach near neighbours on establishing friendship and trade.

A Cabinet meeting on 12 December 1933 affirmed the 'desirability' of an Australian minister making a visit to the East, but also sought to advise London of the plans before an announcement was made. On 21 March 1934, Latham left for his visit to the East. The Lyons Government played down trade objectives in announcing visits to countries to Australia's immediate north, but it was clear that possibilities for trade were very much the purpose of the mission. The limitations of the Ottawa Agreement's imperial preference were by then obvious. A Cabinet agenda paper from the Department of Commerce on 16 November 1933, for example, had described the 'growing hostility by British Agriculturalists' that Dominion products, including Australia's, were 'flooding' into the UK under imperial preference. The ensuing trade diversion policy of the Lyons Government in the mid-1930s was an extension of the idea of preference to countries that traded well with Australia. Sissons quotes from a broadcast Latham made to the Japanese people during his mission in which he was clearly touting for Japanese business. Latham explained in his broadcast how Australia protected its own industries and, as a British Dominion, considered 'the interests of the British Empire and its various parts'. But Latham had been quick to add, 'We are then prepared to make trade arrangements

with countries which trade generously with ourselves.’

Lyons undoubtedly saw friendship as a way of breaking down ignorance and building co-operation in the Pacific. E M Andrews, in *Isolationism and Appeasement in Australia*, remarks that Lyons ‘wanted to apply to the Commonwealth the same moderate reformist policies that had led to recovery in Tasmania’. In many ways, Lyons’ attempts to trade and talk his way to recovery were exactly that. But his feelings in regard to war and trade peace were not unique. Lyons was in essence a true reflection of the Australian psyche at the time. Andrews emphasises how the impact on average Australians of the First World War had brought a ‘determination that the same thing was not going to happen again’. Australia, with a population of less than five million, had sent more than 331 000 troops and lost almost 60 000 dead not two decades before. Argues Andrews, ‘Australians therefore looked with jaundiced eyes on pacts designed to keep the peace in Europe, on military action of any sort.’ Peter Edwards in his chapter in *Australia and Britain: Studies in a Changing Relationship* sees the role of Bruce in London as hugely significant in Australia’s diplomacy in the 1930s and in his role with the League of Nations. But back in Australia, Lyons reflected the ordinary view that the league was a weak hand in peace negotiations and that good relations could be done one-to-one even while remaining loyal to the Empire. It was a view Lyons conveyed to R Watt of the NSW League of Nations Union on 14 March 1932 when he wrote that the league ‘may not have been able to achieve all that its supporters and others have expected of it’. Lyons’ determination to stay in touch, to negotiate and to avoid conflict reflected the average Australian attitude, even as war approached in 1939.

In this climate, amid all-out efforts to continue at peace in the pursuit of prosperity, it was the five-month trip to Hong Kong, China and Japan, from September 1931, made by Herbert Gepp, Lyons’ one time adviser on the 1923 Tasmanian Developmental Advisory Board, that became a significant influence on Lyons’ thinking about

expanding Australian trading opportunities in a difficult economic climate. During Australia's early federalist years, Adelaide-born Gepp had succeeded as mining metallurgist, manager, public servant and industrialist. In Tasmania, after 1917, he saw Electrolytic Zinc Company through its early years of development. In 1926, he switched to the public arena when appointed as chairman of the Development and Migration Commission by Prime Minister Bruce. With Scullin, Gepp lost this position but was retained as a part-time consultant on development. His trip to Hong Kong, China and Japan was, as he put it, a 'health trip' conducted with the 'kind agreement' of the Scullin Government's Minister for Science and Development.

Gepp's trip to the East was a private venture but later offered as a contribution to Australian trade efforts. Gepp's report was presented and published in September 1932 and outlined highlights of his itinerary, including contacts he was able to make in the interests of greater Australian trade with both China and Japan. 'Japan,' Gepp noted, 'is a poor country in natural resources and must import enormous quantities of raw and semi-manufactured materials.' Gepp also pointed to 'the possibilities of the increased sale of Australian wool as the growth of the woollen and worsted manufacturing industry in China proceeds'. His recommendations included appointing high-status Commonwealth representation to both China and Japan and that 'a special commercial envoy be sent by the Commonwealth Government to the Far East for a period of six to nine months' to oversee Commonwealth representation and make 'a close survey of the prospects of Australian trade in the East'. The 1934 Latham Australian Eastern Mission was undertaken in the light of this recommendation. On 28 April 1933, Cabinet agreed to retain Gepp as a consultant for a further three years from 9 August that year at £250 per annum.

From its first weeks in office, the Lyons administration exhibited an eagerness to explore and exploit the possibilities of trade



Joe Lyons was often drawn as a koala by cartoonists –
Australian, cuddly and with bangs of hair
Courtesy Home Hill Museum, Devonport

with the East. The National Archives of Australia Cabinet Agenda files indicate that a cable from the Postmaster-General's Department had been sent on 3 November 1931 to a 'Mr Baillieu', head of I & IC Limited, asking if the company would reduce cable rates between Australia and Japan in the interests of improved Australian trade. The company declined. An Australia-Japan wireless service was then proposed which would save 20 per cent on cable rates. This was blocked by the Imperial Communications Advisory Committee which saw the wireless operation as being in competition with UK interests. Lyons was quite in favour of the wireless proposal, telling the Japanese Consul General that the 'cheapest and best methods of communication between the countries should be adopted'. But

Consul General Inoue was still in contact with the Prime Minister on 2 June 1932 asking why no action had been taken. After being informed by the officials that Australia was not interested, Inoue had insisted on a meeting with the Prime Minister, who promised to refer the matter to Cabinet.

While Lyons had played down the trade aspect of Latham's Eastern Mission in 1934 in press reports, this was not because of any indifference to trade issues. It was rather from sensitivity to the local suspicion of Asian goods taking Australian jobs, a care not to antagonise Japan over trade imbalances and an unwillingness to upset UK feelings after the sensitivities developing over Ottawa. In the matter of trade with China and Japan, Gepp's report had indicated that 'in each case [total trade] is greatly in favour of Australia'. Lyons was a careful strategist and, as with the cable/wireless issue, he would not override established interests too quickly on the way to a better deal. Improved communications with Japan were eventually achieved, developing from increasing government interest in regional affairs and the progress of technology. And, after establishing moves towards friendship with Japan, by 1935 Henry Gullett was busy on details of a trade treaty with Japan, a draft of which was discussed at length during the Cabinet meeting of 29 January 1935, which sat from 2.30 pm until 9.30 pm, just before Lyons left Australia with his party on an extensive visit to the UK and Europe.

London's Jubilee celebrations

Communications both telegraphically and physically had improved rapidly by the 1930s. But embarking on a trip quite literally to the other side of the world remained an undertaking only made by the adventurer, the immigrant or the professional elite. For Australians, the First World War had taken tens of thousands of Australian men abroad on an adventure that many did not survive. Of those who did, quite a number returned shattered and debilitated by the

blood-letting. Still, others had come home hungry for continuing contact with the old world they had seen. The war, for them, had opened new possibilities, given hands-on knowledge of places and history until then only passed on by parents or grandparents, and in the tales of Europe found in books from childhood. For a majority of Australians, however, the other side of the world was still a faraway place never likely to be visited. Ironically, both Lyons and Menzies began their voyage to Europe in February 1935 with the background of most of their contemporaries in Australia: neither had been abroad before. During the war, Lyons had opposed conscription and stayed at his political post, while Menzies had been a younger son in a family that had sent two older brothers to the front and refused to risk a third.

The official party travelling with Joe and Enid Lyons to Europe in 1935 consisted of Robert and Pattie Menzies, who had paid their own fares; Henry Gullett, who was directing negotiations for trade treaties, and his wife, Penny; Country Party MHR Harold Thorby accompanied by his wife Vera (Thorby at the end of the trip would be appointed a minister assisting the Minister for Commerce); senior representatives from the Tariff Board and Department of Commerce; and prime ministerial staff including the capable Irvine Douglas, a former journalist, and minders Jack Swanston and Frank McKenna. In London, they would be hosted and guided by High Commissioner Stanley Bruce.

The occasion for the Prime Minister's visit to London was the Silver Jubilee celebrations for King George V, a coming together of official representatives from across the world, especially the Commonwealth. There would be a conference of Commonwealth prime ministers and unique opportunities for networking and contact with other heads of government and the Dominions bureaucracy in London. Under the 1931 Statute of Westminster, the Dominions had gained influence within the Empire; the Statute of Westminster, an Act of the British parliament, gave the Dominions of Canada,

Australia, New Zealand and South Africa legislative freedom from the British parliament and legislated that they must consent before any decision affecting the succession to the throne. At the gatherings in London for the jubilee, the Dominions had pride of place as a sort of entourage surrounding the monarchy over its vast Empire machine. In these weeks of London entertaining and official functions, opportunities for discussions and exchange with heads of state, prime ministers and other senior government representatives offered unique possibilities for the Dominions, which were so far from the centre of the Empire. At vast lengthy tables, the Lyons couple would dine with both royal and non-royal. The occasions flashed by in a busy schedule and dotted the diary entries Enid left: sitting between British PM Ramsay MacDonald and the Archbishop of Canterbury, Cosmo Lang, on one occasion; nights at Chequers with the MacDonalds; at Windsor Castle with the King and Queen; asked by Lady Astor to 'please' squeeze in a visit to her home. Lyons had endless occasions to exchange views with Dominion leaders – Hertzog (South Africa), Savage (New Zealand) or Bennett (Canada) – and address audiences at the annual banquet of the Honorable Company of Master Mariners, an Empire Societies banquet and so on, as well as the many conference assemblies for Dominion leaders. All of it was capped off by the jubilee week of pageantry and balls, with Joe and Enid being driven to Westminster Abbey in an open carriage.

Trade was Lyons' priority on his extensive journey, even while events in Europe suggested that foreign relations had the call. By then, Adolf Hitler was well embedded in Germany. Both Germany and Japan had left the League in 1933, Japan over Manchuria in March and Germany in October when the League of Nations continued to oppose its rearmament. Instability threatened, with the growth of dictatorships around Soviet communism at one extreme and national socialism or fascism at the other. By 1934, the British recognised Mussolini was intent on a takeover of Abyssinia in retaliation for a lack of access to ports in its African territories. In

late 1935, the league would face political shambles in applying sanctions against Italy over its invasion of Abyssinia, leading to Italy also leaving in 1937. Reports of atrocities against German Jews were already appearing in the Australian press. Over more than a decade, readers of the daily news had become somewhat inured to reports of revolution and starvation in Stalin's empire even as popular opinion hardened against communism.

At its meeting on 4 January 1935, Cabinet had concurred with Lyons' view that he should leave Australia earlier than was originally intended so that 'deliberations on the meat question and other trade questions' should be got out of the way before the actual date of the Silver Jubilee in May. Australia had done well out of Ottawa, with the exception of meat. But there was annoyance on both sides. Australia was unhappy that the UK should exempt Argentina – Australia's great meat competitor – from the tariffs imposed on non-Dominion importers to the UK in relation to meat. (Argentina had huge debts with the UK, and its UK meat agreement was, in British eyes, a way of ensuring there would be no default; and Argentina's meat was of a superior quality to Australia's.) From the UK point of view, the British were still smarting that the Australian negotiating team had won more than its fair share of benefits at Ottawa to the disadvantage of the 'Mother Country'.

As Ian Drummond writes in *Imperial Economic Policy 1917–1939*, Britain had come to realise that the Australian Tariff Board had interpreted 'Article 10' of the Ottawa Agreement far more liberally (to Australia's advantage) than Britain believed it was intended, and that 'the Agreement was not being carried out in good faith'. Britain had made a formal protest to the Australian Government as early as 7 November 1933, the year the negotiations over meat had begun, and in 1935 used their complaints over Article 10 to resist the Australian arguments in relation to meat exports to the UK. London would prove a tough series of meetings and at the end only some very slim pickings came Australia's way.

Australia's pragmatism in its foreign dealings was pronounced in the Lyons years, its preoccupation with economics often noted. Even over Abyssinia. On 26 July 1935, shortly after Lyons and Menzies had left Canada on their return from Europe, the Canadian Secretary of State for External Affairs observed, when writing to his High Commissioner in London over Italy's moves on Abyssinia, that while South Africa and the Irish Free State saw the crisis as about maintaining the rights of little nations, 'Australia is doubtful of the practicality of economic sanction.'

Making their way across the Indian Ocean from Fremantle, where Enid and Joe Lyons joined the *Otranto* and the rest of the party on 23 February after engagements in Adelaide and Perth, the Australians could take stock of their place in the world. A vast, seemingly endless mass of sea had to be crossed before any sight of land. Then, stopovers at Columbo in Ceylon (today Sri Lanka) and Aden offered glimpses of the tentacles of British imperial glory and a 'very English' (as Menzies recorded in his diary) governor. In Aden, Menzies noted the golf course, the soccer field and a cricket ground, and further recorded how 'the British go calmly on their way giving to these peoples what they could never give themselves'. Lyons, on the other hand, clearly noted the vulnerability of the Suez Canal and what its closure might do to Australian trade. And then to the Mediterranean, where similar thoughts might have entered the Lyons consciousness. Hostilities against Italy over Abyssinia would damage Australian trade routes.

But at Naples, where the party came ashore to continue by train to Paris and then take a ferry to cross the English Channel, Mussolini's 'young and spruce' envoy, 'complete with eyeglass', as Menzies described it, while presenting Enid Lyons with flowers from Il Duce, could only offer a meeting too late in the week for Lyons to accept. There would be no chinwag with Italy's dictator in the hope of smoothing relations in the Mediterranean for Australian trade. Lyons would need to wait until 27 June on his return journey

for a chance to engage Mussolini in a 20-minute meeting at the Italian Foreign Ministry. Enid Lyons noted the meeting in her diary the following day and the *Age* reported it on 29 June. Mussolini impressed Lyons in person as he had already impressed the New Deal's President Roosevelt with reports of Italy's central planning and government-sponsored development of a small country. The *Adelaide Advertiser* on 18 August reported Lyons as 'amazed' by Mussolini's 'extraordinary driving force'.

The Australians arrived at Dover on 21 March and were met by Stanley Bruce and his wife, Ethel. In London, they were joined by Secretary for the Dominions J H Thomas and Maurice Hankey. Joe and Enid Lyons were to make their base the Savoy Hotel, where Enid was staggered at the excess of flowers in their suite, which disturbed her. A phone call home that morning found a group of sleepy children at the far end of a crackling telephone line, all very excited to talk with their distant parents. Enid Lyons' diary throughout their trip would be typed and sent home as a communication to the Lyons tribe, who were being cared for by a housekeeper and their aunt Mavis Lyons. Mavis had relocated to the Lodge for the six months, as she would again do for the Lyons' 1937 trip abroad. With her were her two children, Carmel and Lynette, while her husband, Tom, built them a new house in Hobart. Joe and Enid Lyons managed throughout their years together with much invaluable help from their extended family.

A small amount of sightseeing in the day that followed allowed Joe and Enid to find their bearings. Then the official meetings began. The jubilee conferences and meetings were conducted very much at a heads of government level. In Australia, it was not until November 1935 that the Department of External Affairs was separated from the Prime Minister's department and given independent status, with Colonel W R Hodgson appointed as Secretary. Thus, unsurprisingly, in London in April and May 1935, Lyons was in charge of negotiating both Australia's trade and foreign affairs, all

the while guided by Bruce, who, as Peter Edwards notes in *Australia and Britain*, had been allowed a free hand by his Prime Minister which High Commissioners George Reid, Joseph Cook and Andrew Fisher (all former PMs) had never been by their respective prime ministers. Edwards points out that both Lyons and Menzies trusted Bruce's judgment implicitly and 'would send the telegram precisely, or very largely, as Bruce had drafted it ... [and that] Bruce created for himself a sort of miniature foreign office'.

By far, Lyons' greatest impact in his time in London was through his personality and the great amount of press interest the Lyons couple attracted. This was also true in North America in July. Enid Lyons made her own speeches to women's groups, with audiences in the hundreds, and published her own account of 'The Joys of a Large Family' in the *Daily Mail* across three columns and with a large photo of Joe and Enid and their five youngest children. Enid was never left waiting in her hotel for a busy husband to return to keep her company, a feature of Pattie Menzies' trip to London in May 1938, as described in Allan Martin's biography of Menzies. Enid Lyons fell in beside Joe as a media curiosity from her first week in London, enhancing the Lyons image as always. She made the front page of the *Daily Express* on 15 May, one of three ladies photographed as 'guests of the King and Queen' at a ball the evening before.

The Lyons couple made news broadcasts, Joe made a 'talkie', and newspaper reporters pursued them across the British Isles. Lyons and his intriguing wife became a showpiece for Australia. The Lyons couple would come home with a large file of cuttings, now in the National Library of Australia, reporting on their presence in the UK and North America. Lyons impressed Menzies in his presentations: 'He is doing famously,' Menzies wrote in his diary after Lyons' speech at the British government lunch at Dorchester on 26 March, 'and I may well be content to be in the background while he does as well as he is doing now.' Unlike Menzies, who was

‘at the end of his tether’ in Birmingham, as Allan Martin described it, doing the rounds of industrial buildings and diarising that ‘the municipal meal is beginning to pall on me’, Lyons engaged with prime ministers, including Ramsay MacDonald, as easily as he did with the ‘municipal’ notables in Manchester, Edinburgh, Glasgow, Dublin and Belfast. Menzies, meanwhile, expressed his private frustration that the British negotiators on meat were as ‘impressive as Chinese ambassadors, elusive, and unwilling to argue legally about any point of difficulty’. Lyons, more used to the intransigence of factions in his former Labor Party days, looked to the next step to up the ante.

In Britain in April, as negotiations over meat proved difficult, Lyons spoke publicly of the constraints on traditional markets for Australian primary products. On 30 April, Lyons told the press:

The regulation of imports by the United Kingdom may not mean a diminution of supplies from Australia below present volumes. However, it may impose a check on further expansion ... If, therefore, owing to the protection of British agriculture, and the commitments of the United Kingdom in her foreign territories, Australia is to be limited in the British market, we must do our utmost to secure foreign markets.

In this he was previewing the trade diversion policy Gullett shaped over the following year, a strategy Australia had begun with the Australian Eastern Mission. Later in his UK trip, as negotiations on meat delivered small returns, Lyons voiced a barely veiled threat at a lunch in Glasgow on 11 June that ‘unless Australia is granted absolute preference over foreign goods, there can be no resumption of emigration to the Dominion from Britain’, as the *Scottish Daily Express* reported. Historian David Bird, borrowing from Enid Lyons, has labelled Lyons the ‘amateur diplomat’, which indeed he was. Yet as the professional diplomats’ icon, the League of Nations, disintegrated and tariff policy throughout the world failed to resolve

the global economic trough, Lyons felt he had little alternative at times but to move unilaterally as Australia faced receding opportunities and contracting markets.

Markets and missions

Joe and Enid Lyons arrived in New York from Italy on 6 July on the Italian liner *Rex*. The Foreign News service reported their arrival with a breezy piece where Lyons was described as the ‘honest, naive, likeable, tousle-haired’ leader from the ‘Commonwealth of Australia’ who would soon ‘swap grins in the White House with Franklin Delano Roosevelt and indulge in economic horsetrading’. The report went on to emphasise Australia’s desire to persuade the USA to lower tariffs on Australia’s wool, wine and wood. This was indeed a first for Australia, still represented in Washington through the British embassy.

Lyons would go from the USA to Canada before returning to Australia. As numerous North American press reports of the Lyons visit indicate, Lyons created interest and presence throughout these visits. By 9 July, the *Washington Post* was describing the couple’s arrival in the national capital, and their speedy exit from Union Station in the ‘car from the White House’, after being met by the British ambassador and the Secretary of State, Cordell Hull. Lyons’ visit was headlined ‘Talks with President on Trade’. In the *New York Times*, meanwhile, the headlines were ‘Lyons’ visit spurs Trade Treaty Talk’. All of which was news of a very embryonic venture. In Canada, a headline in the *Mail and Empire* on 13 July proclaimed ‘Lyons is Charmed by Canadians’ – which would be quite misleading a year later as Australia grappled with the outcome of a separate trade agreement between the UK and Canada, described by George Pearce in a telephone hook-up with Earle Page in London on 19 May as having ‘ignored us’.

As economic conditions improved in Australia, Lyons had won

a global reputation for having stood firm on debt to defeat depression. The *New York American* on 12 July carried a headline 'Australia Shows How' to an article on Lyons which endorsed his account of economic prudence and payment of debts, along with Lyons' firm belief that politicians should never interfere with banks. The paper opined: 'Will words so wise as these, uttered by so responsible and experienced a statesman, and vindicated by such impressive and instructive experience, find anyone to heed them in Washington?'

Lyons and Enid were taken very seriously indeed in their brief visit to Washington, although no written record of the talks between the president and Lyons were kept. As guests of President Roosevelt and Eleanor Roosevelt at the White House on 8 July, they sat down to dinner with, among others, the Secretary of State, Cordell Hull, and his wife; the Secretary of the Treasury, Henry Morgenthau Jr; the Secretary of Agriculture, Henry Wallace, and his wife; the Secretary of Commerce, Daniel Roper, and his wife; the British Ambassador, Sir Ronald Lindsay; the Chairman of the Foreign Relations Committee, Senator Kay Pittman, and his wife; and the Chairman of the Foreign Affairs Committee. The USA, eager as any other nation for trade opportunities, saw possibilities within Australia for its automobile products and other newly emerging technologies, from typewriters to aircraft. Australia had a small population, but, as a western nation of high living standards in the US-Pacific basin, its capacity for imports not readily available onshore had not gone unnoticed in the USA. And word had gone out that Australia had beaten off the stagnation of the global financial crisis more quickly than most. It was encouraging to have the voice of a winner among them at a time when the USA was spending big and still experiencing record unemployment queues.

But some reports of Lyons' speeches abroad noted that Australia still had far to go in the matter of overseas debt. In Glasgow in June, Lyons had told a Chamber of Commerce dinner that Australia was paying Britain £25 million a year in interest on loans: 'We

have to send you £25 million worth of goods before we can buy one pound's worth of British goods ... Increase of trade means, possibly, the building of more ships on the Clyde.' Lyons' message was the message of many others – trade more, buy more, and there will be jobs and growth all round. But the pressures of where to trade and with whom had become increasingly complicated. Imperial preference had not lived up to expectations and tariff policy had begun to ensnare its builders.

While protection had been embraced in Australia from the first decade of federation as a means of protecting home industries, increasingly rural interests around the Country Party had emphasised that this penalised the most efficient industries – primary – for the subsidising of the least efficient – secondary. But jobs were increasingly to be found in and around the factories and store yards of urban centres and the times were desperate for job creation. In a few years, also, another global conflict would further incline employment into urban industries. It had been the Hughes Government, as Andrew Ross points out in *Armed and Ready*, that had pushed industry protection, especially with the Massey–Greene revision of tariffs in 1920. At the same time, government continued to rely on income from primary industry to support Australia's high standard of living. By 1935, however, tariffs had new international meaning as governments traded favours to competing nations seeking markets by imposing tariffs on some countries in order to advantage trade with others.

US Consul J P Moffat noted in his diary's New Year entry for 1936 how Australia was 'full of enthusiasm and in a condition of prosperity greater than she has known for many a year'. The reason was largely commodity prices – for wool and wheat – which had risen to levels that Australia, as Moffat put it, 'had not dared to hope for'. But he also noted how local secondary industries were absorbing more of the unemployed as they increasingly supplied local needs. Tariffs and the Ottawa outcomes were working to

an extent here. And Moffat saw dangers ahead, not least in Australia's reliance on world prices for primary products, a mercurial and uncontrolled unknown. Moffat also thought that rumours of a resumption of foreign borrowing were another caution. The healthy 1936 New Year feelings were not replicated at the top of government, however. By March, Moffat was noting Henry Gullett's conversation with him over the government's worry about rising imports from America with no increase in Australian exports there, as well as the Australian Government's concern about its overseas interest repayments. In February, the USA had rejected Australia's offer on a trade agreement. In reaction, Gullett had told Moffat that Australia was now considering diverting some of its US trade to countries more favourable to Australia.

Yet if Japan was the country Gullett had in mind for diversion, with the Treaty of Friendship, Commerce and Navigation he had been working on, this was not at all simple. In D C S Sissons' 'Manchester V Japan' in *Australian Outlook* (December 1976) the complications around one-on-one trade deals under policies of protection and preference are obvious; and tariff retaliation was taking its toll on countries amid depressed global markets. On 12 June 1935, Lyons had visited Manchester, centre of the British textile industry. There he had met with representatives of the local cotton industry over two hours, where they briefed Lyons on the debilitating effects of both the Australian tariff and Japanese competition on UK cotton exports to Australia.

Four months later, a Manchester Mission to Australia was announced, but even before the mission had left England, the Australian Cabinet decided on 23 January to increase duties on imports of Japanese art silks and cotton piece goods. On 20 February, Gullett advised a surprised Japanese Consul General that unless imports from Japan of cotton and rayon cloth were reduced substantially Australian duties would be increased to ensure they did. The Japanese did not agree, and in May, the Australian Government imposed

the increased duties, which led the Japanese to boycott Australian wool sales and apply an import licensing system to Australian wool, wheat and flour, along with added duties on Australian beef, butter, condensed milk, hides, beef-tallow and casein. In July, Australia hit back with a licensing system that prohibited items making up some 40 per cent of Japan's exports to Australia.

The impact of reliance on primary production and agriculture for income and predominantly UK markets for exports left Australia vulnerable in what the Americans would call international horsetrading. Australia had not reached a satisfactory deal with Britain on meat since the meetings in London during the jubilee in 1935, while, in relation to cotton, Britain was losing market share across the world to places like Japan and India. Imperial preference had not solved Australia's meat dilemma and competition with Argentine beef imports to the UK. Meanwhile, Australia was pushing boundaries with the USA and Japan in a Pacific alignment on trade, albeit still at a very early stage. A delicate balance was about to implode. Moffat's observation from his meeting with Gullett in March 1936 that the Australian minister without portfolio directing negotiations for trade treaties 'looked ill and tired', 'walked like an old man' and 'was constantly leaving his desk and taking some medicine at a cupboard in the corner' reflects the strain the trade treaties had imposed on Gullett. His health would force him to retire from Cabinet a second time in March 1937. But Moffat observed in his diary for 10 March 1937 that Gullett had in fact resigned after a discussion on Canadian treaty developments. Wrote Moffat:

The rest of Cabinet apparently pointed out that his trade diversion policy was getting nowhere, that this would cut across inter-Empire trade, etc. Finding himself virtually alone, with only the Prime Minister supporting him, and with his colleagues almost a unit in censoring him, he walked out of Cabinet meeting, resigned then and there and is leaving Canberra today.

Transcripts of telephone hook-ups from 19 May 1936 between Pearce and Gullett in Canberra and Earle Page in London with Menzies for trade talks on beef, and another from 24 June between Lyons and Gullett in Canberra and Page in London, convey the dramatic, and at times desperate, flavour of government feelings over trade that year. On 24 June, Page advised that what he had been offered was 'useless' and that he had told the British representatives that 'if their views had changed altogether [from Ottawa] ... there was no value in our offering any further concessions'. Page added that he had advised the British of 'the position we are in with Japan'. Prime Minister Baldwin had been 'half-hearted' in response. Henry Gullett responded to Page that the government was in a 'critical position'. The Australian press was on side but it could not last, and 'if we get a setback now, probably the government would go', was how the note-taker summarised Gullett's conclusion. Lyons backed him up, emphasising the 'dangers of the position if Australia did not get something worthwhile in the beef negotiations' and adding, 'If Britain lets us down in this, the government will be wrecked'.

In a cable to British Prime Minister Stanley Baldwin on 17 June, Lyons had pulled no punches. Australia had introduced a licensing system that had 'severely and provocatively' impacted on 'certain foreign countries' and this had made Australia's negotiations with Japan extremely difficult, he said. There had also been protests from the USA. Even so, Australian woolgrowers had 'refrained from condemnation' of the government, and the press was also mostly supportive. Then he went straight to the point:

If we could not make satisfactory meat arrangements we could not justify our recent international tariff legislation ... I am not exaggerating when I say that if your government's proposals made to Page and Menzies were published in Australia national sentiment would be deeply shocked and whole trade diversion policy of my government would be placed in hazardous position.



Tom Glover captures the hard yards of government in difficult economic times, managing a fractious UAP and coalition with the Country Party

Courtesy Home Hill Museum, Devonport

The outcome of all the Australian pressure on London was eventually successful in the meat negotiations. Sissons writes, 'This was a very successful piece of bargaining, for there is evidence that there was very little sympathy for the Australian stand on the meat question among British ministers and officials.' Their achievement also helped to quell simmering unrest among UAP MPs. Even the Japanese boycott of Australian wool sales had little effect when the wool sales opened on 31 August, which also helped within UAP ranks. But there was still Canada to deal with and the tricky question of

US competition with the UK in the motor and aircraft industries. Especially as armaments and defence spending assumed more significant space in annual budgets.

Trade diversion, however, had serious flaws. Badly scripted by Gullett, as Philip Hart analysed in his doctoral thesis, and not fully agreed with by Lyons, who let Gullett have his way, the policy needed revision by the end of 1936 in relation to Japan and by December 1937 with regard to the USA. Why Lyons allowed Gullett so much rein in the implementation of policy at this time is hard to fathom. Indeed, the options were not always clear or easy to manage and Lyons was inclined to believe in the capability of his ministers until proven otherwise. But Gullett certainly left Lyons' critics able to argue that his government was adrift in many respects. The erratic way trade diversion was handled reflected not only Gullett's often intemperate manner but also Lyons' lack of control over his minister. As David Bird has carefully recorded, the Japanese upped the ante, causing various prominent Australians, including UAP former minister Charles Hawker and historian and East Asian specialist Dr A C V Melbourne to express their dismay to Lyons. Various industry groups were also left unsettled. The Japanese passed a law effectively prohibiting Australian imports throughout the Japanese Empire before a compromise agreement on tariffs was worked out. Many in Cabinet were not fully briefed on what Gullett was doing and the UK was not advised of the policy until a day before it went into operation. The scheme had been designed to attract more UK trade; in fact it cut across UK discussions for a trade agreement with the USA.

Yet by the end of 1936, Lyons was still secure in the leadership. By which time a further complication in matters imperial had arisen that may have explained Prime Minister Stanley Baldwin's apparent lack of interest in Dominion meat trade: the new King, Edward VIII, had provoked a constitutional crisis in which Australia's prime minister would play a part of some significance.



The royal box

Australia lies far distant from the shores of Britain, but our loyalty to the Throne and the person of your majesty is not lessened by the thousands of miles of land and sea which separate us from you; rather it has been strengthened by them, deepened by the knowledge that across half the globe there dwells a monarch who understands and sympathises with those of his subjects in the homeland.

On 8 May 1935, Australia's Prime Minister Joe Lyons, son of an Irish mother and a father born to Irish parents in the colony of Van Diemen's Land, spoke these words in the company of other Dominion leaders as they were received at St James's Palace on the occasion of the Silver Jubilee of King George V, a monarch whose title was not only King but also Emperor. In doing so, Lyons summed up the feelings of the overwhelming majority, conservative and Labor, of Australians. Nationalist feeling had its followers Down Under, certainly when the matter of race or colour or defence came into focus.

But overlaying this was a strong loyalty to British traditions, give or take sectional loyalties to Irish or Scottish ancestors with grievances of an historical or political nature.

When he made his 8 May speech, Lyons was fresh from a trip to Ireland, the home of his forebears, in search of his origins. He had dined at Dublin Castle at a banquet in his honour, where, as the *Manchester Guardian* reported, it was the first time since the Anglo-Irish Treaty that representatives of all Irish political parties had sat around one table. He had also visited Galway and the shores of Killybegs, retracing the lives of his ancestors. On a visit to Belfast and its imposing but cold Parliament House, he was obliged to remove his hat as he passed a statue of Protestant Unionist Lord Carson, whose name Lyons had muttered to his staffer Frank McKenna, of strong republican Irish sympathies, perhaps as a warning not to register any protest. Lyons had by no means forgotten his cultural origins, but like many of his compatriots he had long since secured his identity as an Australian.

Like many Catholic Australians of Irish background, Lyons had lost interest in the Irish 'troubles' with the Irish civil war of 1922–23, with its confusing mix of brother killing brother, and neighbour betraying neighbour. Sitting down to dinner at Dublin Castle with old and bitter enemies once again exchanging formal pleasantries was far more the Lyons style. Likewise, Lyons' Catholic Irish heritage did not conflict with his acceptance that, as an Australian, his native country was part of the British Empire. Even in his more radical days as a young Tasmanian Labor MP, Lyons had set his arguments for an Australian Governor-General and abolition of the office of state governor or Tasmania's Upper House well within the context of Australia's British Empire status. As his views moderated and his politics took him into conservative ranks, Lyons remained instinctively Australian before any other element of his make-up, unlike many Anglo-Australians who felt they were British. Loyalty to the Crown was part of Lyons' identity too, but beyond politics

this involved encompassing the personality of the monarch and a national bonding to an Empire family amid feelings of isolation in the Antipodes.

Maurice Hankey, British Secretary to the Committee of Imperial Defence, writing to Prime Minister Stanley Baldwin from Sydney before boarding a ship for New Zealand on 17 November 1935, commented that he had been treated like a member of the royal family by some he had met over his weeks in Australia – from Western Australia through Adelaide, Melbourne, Canberra and Sydney. On one occasion a lady had ‘curtseyed’ to Hankey and his party as if they were ‘Excellencies’, which had given him a ‘dreadful shock’. He went on to conclude that ‘people here are at bottom incredibly pro-British, anyone they know by name from England is an object of admiration’. Hankey had of course met mostly people at the top, but also many ordinary Australians at functions to celebrate Victoria’s 100 years of settlement, as well as numerous public servants. Hankey’s mother was Australian, and his brother Donald, author of the popular ‘Student at Arms’ essays in the *Spectator*, had died at the Somme. Hankey remarked to Baldwin, in his letter, that many Australians had come long distances to meet him because he was ‘Donald Hankey’s brother’.

Australia owed its more than decade-long delay in formally adopting the 1931 Statute of Westminster (handing greater independence to the federal government over its own external affairs) to both Labor and conservative governments believing that Australia’s best defence protection lay with the UK. As Australian Prime Minister, John Curtin was pressured to adopt the statute only after the USA entered the Pacific War with the bombing of Pearl Harbour, and after the UK lost Singapore to the Japanese. Before that, government leaders also believed – rightly – that adoption of the statute would provoke a populist conservative outcry. After the fall of Singapore, that no longer applied.

In London in 1935 for the King’s Silver Jubilee, Joe and Enid

Lyons spent a night at Windsor Castle, which Enid Lyons described over a chapter in *So We Take Comfort*. It was a high point of their visit, dining and engaging with the King and Queen – at times quite informally. In spite of his pronounced anti-imperial sentiments, Labor Prime Minister John Curtin would risk a dangerous flight from the USA to London in 1944, even though unwell, and pay his respects to the King in the style of Australian prime ministers before him. He would also mollify Churchill's negativity towards Australia by, as Geoffrey Serle in Curtin's entry in the *Australian Dictionary of Biography* puts it, 'affirming his country's intention to rely primarily on the Commonwealth in defence and foreign policy matters – on the basis of equality and full consultation'.

At the head of government, Australian leaders have for many decades been able to distinguish their being Australian from their respect for the institutions of the British Commonwealth. This is well captured in Enid Lyons' recollections of her ride with Joe through the streets of London during the 1935 jubilee celebrations in an open horse-drawn carriage in the best of royal traditions – only to be cheered to their delight by fellow Australians abroad who sent 'coo-ees' into the London air at the sight of the Australian Prime Minister and his wife. Likewise Enid's pride in seeing Joe in the regalia of the Privy Council as he was sworn in on 29 March 1935 in London, and in 1937 when he was made an Honorary Doctor of Laws at Cambridge University. This was as much about the significance of these very British events to Australians as her understanding of how far Lyons had travelled in his life.

Through the 1930s, the complexities of being Australian haunted parliamentary debates as Europe wrestled with dictatorship in Europe, civil war between right and left in Spain and territorial ambition and military expansion first with Japan and Mussolini but more worryingly with Hitler and Germany. On the other side of the world, the Australian parliament debated the odds for Australians in reaction to the Abyssinian crisis in late 1935. Richard

Casey, defending Britain's support for sanctions against Italy, told the House on 13 October:

Whatever the outcome of this unfortunate dispute may be, one thing seems to be clear – the countries which compose the British Empire must by all the means at their disposal put their strength into the Empire ... it is almost a truism that the British Empire is the biggest single agency for peace in the world. We must do everything possible to cement the bonds of Empire.

On the other side of the House, Labor opposed economic sanctions, arguing they would lead to war, and that Mussolini was doing no more than Britain had done acquiring its Empire. Labor's Frank Baker, speaking after Casey, responded: 'The procedure which Italy is now adopting to add Abyssinia to its territory is exactly similar to that which Great Britain itself adopted in years gone by to establish the Empire.' Curtin, attacking the League of Nations on 7 November, added that 'all the arguments of the lawyers with regard to sanctions will be wiped out the instant the first shot is fired ... [the bill] does an unprecedented thing in Australian history. It places us under an obligation to the police system of Europe.' But within twelve months, Labor and the UAP would be as one over the crisis at the centre of the Empire itself.

The abdication

In London in April and May of 1935, Joe and Enid Lyons had heard snatches of gossip about the Prince of Wales. But society gossip did not seem relevant then to matters of Empire. That the Prince of Wales led a rather fast life and was often associated with attractive older, and married, women was no impediment to his becoming King, which he did on 20 January 1936 following the death of George V. During the summer of that year, Edward VIII conducted an increasingly open romance with an American divorcee

by the name of Wallis Simpson who was still married to her second husband. They holidayed in the Mediterranean, where their relationship became noted in the foreign (but not British or Commonwealth) press. As Frances Donaldson describes in *Edward VIII*, American and European newspapers followed the romance and speculated on the seriousness of the relationship while all but the elite among the British, who might take their overseas newspapers on subscription, had no idea their King was heading for a major collision over his position and his choice of wife.

In matters small and large, Edward VIII 'showed a total disregard, even a lack of comprehension, of the lines he was expected to draw between his public and official position and his private life', writes Donaldson. During weeks of that summer, the King entertained a party of friends on board a yacht he had chartered to sail the Dalmatian coast, visiting Greece and Turkey, and inland Austria and Yugoslavia by train. Although the King used the occasion to meet government representatives and other royals along the way, it was Wallis Simpson as much as the King who drew the crowds. American reporters followed them everywhere and the word went out that the King and his lady were madly in love. Donaldson writes that the twenty thousand peasants who greeted the couple in Sibenik, where the King and Mrs Simpson boarded their yacht, was a 'curious circumstance considering that no English crowd would have recognised her'.

British and Commonwealth newspapers suppressed the story of the King and Mrs Simpson thoroughly until a little more than a week from the abdication, so that as the Australian parliament discussed the Coronation Commission in the House of Representatives on 19 November and invitations to the Coronation the following year, there was no inkling among MPs, with the exception of Lyons, that the central figure in the whole affair was close to handing in his resignation. Or that on 26 October, on the eve of Wallis Simpson's divorce hearing against Ernest Simpson, Hearst's *New York Journal*

had published an article with the heading 'King Will Wed Wally'. At the end of November, when London cabled the Dominion PMs requesting they express their views on the situation of the King's proposed marriage to Mrs Simpson, New Zealand Prime Minister Michael Savage advised that he had never heard of Mrs Simpson and had to go to the NZ Governor-General for information.

As George Fairbanks emphasised in his 1966 *Australian Outlook* article 'Australia and the Abdication Crisis, 1936', for the Commonwealth and the UK the news of impending constitutional crisis broke only eight days before the King's abdication. Citizens of the Empire were shocked at the suddenness of events as the news came to them when it had in fact been out in the open for weeks in foreign lands. The Statute of Westminster, the conventions of which Australia abided by while not yet ratifying, had replaced the one Crown with separate Crowns for each of the Dominions. The King thus required the consent of his Dominions in order to give up his position. As a result of this, Australia would play a prominent hand in the King's choices.

In mid-October, British Prime Minister Stanley Baldwin had gone to the King himself, not having advised his ministers of the move and at the request of the King's private secretary Alexander Hardinge, who was deeply concerned at the idea that the King wanted to marry Wallis Simpson, whose divorce would be finalised in April 1937, leaving time for a wedding before the coronation. The meeting was not a success and the King appeared affronted at the boldness of Baldwin's message and lack of sensitivity for Mrs Simpson. Around three weeks later, on 15 November, Stanley Bruce and his wife, Ethel, lunched with the Baldwins. Bruce also contacted Lyons regarding what Australia's position might be in the event of the King wishing to marry Mrs Simpson. Bruce's biographer I M Cumpston has explained that Bruce was required to 'put the facts as he saw them to Lyons, and he wanted to ascertain the position as Lyons would be influenced by the extent to which Baldwin had

impressed on the King the seriousness of the position'. Lyons had replied that 'if there was any question of marriage with Mrs Simpson the King would have to go, as far as Australia was concerned'.

Baldwin confided to Bruce the details of his meeting with the King and his concern at developments surrounding Mrs Simpson. Bruce found Baldwin confused, as Cecil Edwards relates in *Bruce of Melbourne*, and tried to clarify the constitutional and political issues, which required hard thinking. From notes Bruce made at the time, it is clear that Bruce gave his unqualified advice that such a marriage could not go ahead without forcing the Baldwin Government's resignation. Australia's High Commissioner did steel Baldwin up considerably, especially with the strong response from Lyons supporting that view. In time, Baldwin would be wrongly accused of forcing the King to abdicate. In fact, Baldwin had little choice but to act as he did in bringing before the King his options. At no time did Baldwin or any Dominion leader advise the King to abdicate.

Lyons had correctly pinpointed the moral judgment of many ordinary citizens about a twice-divorced woman reigning over them as the King's wife. And she was a commoner – for many, more common than most. Even well over 70 years after the 1936 abdication it is not unusual for chatter about the event among older Australians to start with a reference to Mrs Simpson being desperate to get the throne – in fact, as the disaster unravelled, Wallis Simpson made a strong appeal through her lawyer that she be allowed to stop her divorce becoming final, saying she would leave the King. But the King refused to allow her to either stop her divorce or leave him.

Constitutional and political issues, however, would command the day. Monarchy and the monarch were a British institution; tradition and the sentiments of the monarch's subjects must prevail. The strength of the institution must be preserved at all costs. Writing 'in hindsight', Frances Donaldson makes the observation that 'the loyalty of the British public was so much to the institution that one King could be removed and another take his place without a

tremor of hesitation in the transfer of feeling'. The dilemma for Baldwin was that in advance of the act of abdication itself, there was no knowing how it was to be done.

It is clear from Donaldson's comprehensive account of the last days of Edward VIII's reign that it was a painful but often surreal experience for the King. Convinced that he could woo the public with his personality, he had also persuaded Wallis Simpson that their union was possible with popular appeal. He swung back and forth for a while between abdication and the idea of a morganatic marriage, where Mrs Simpson would not be queen and where any children of the marriage would not ascend the throne. When Baldwin advised the King that a morganatic marriage in Britain was only possible after an Act of Parliament and that, in his view, parliament would never accept one, the King held out, hoping that the Dominions would support him. He was to be badly disappointed.

On 28 November, Lyons received his 'secret and confidential' cable from Baldwin, as other Dominion prime ministers of Canada, New Zealand, South Africa and Ireland received theirs. These prime ministers were asked to choose between three alternative courses of action: 1) that the King should marry Mrs Simpson and she should be recognised as Queen; 2) that they enter a morganatic marriage only; 3) that the King should abdicate in favour of the Duke of York. In his confidential reply to Baldwin, as Lyons described it to parliament on 11 December, Lyons had given his 'personal' view that 'the proposed marriage, if it led to Mrs Simpson becoming Queen, would invoke widespread condemnation, and that the alternative proposal or something in the nature of a specially sanctioned morganatic marriage would run counter to the best popular conception of the Royal Family'. This advice from Lyons has been described by Frances Donaldson as the strongest reply from any of the Dominion leaders – who all, with the exception of De Valera of Ireland, supported Baldwin's advice to the King.

As notes written by Lyons and quoted in Enid Lyons' *So We*

Take Comfort indicate, Baldwin sent a further cable on 5 December advising that the King was hopeful the Dominions would support a morganatic marriage. Lyons, who had by this time consulted in secret with his Cabinet, who unanimously backed him, replied that his earlier advice made clear that Australia did not accept the idea of a morganatic marriage. His notes are emphatic about the role of the monarchy to Australian democracy at this point:

On 5 December, therefore, I sent a message to the Private Secretary to the King for communication to His Majesty intimating that the Commonwealth Government of Australia profoundly regretted the situation that had arisen regarding His Majesty's proposed marriage; I expressed the hope that His Majesty would give the fullest consideration to the vital fact that the Crown was the great unifying element in the British Empire and that any course calculated to weaken the ties of loyalty to the Crown or the position which it occupies in the affection and respect of the British people was fraught with danger to us all.

Lyons' cable to the King through his private secretary on 10 December began 'With humble duty' and went on to convey that His Majesty's governments in Britain and Australia 'deeply sympathise with Your Majesty' and went on to 'beg to ask in the name of Your Majesty's subjects in the Commonwealth of Australia that your Majesty will reconsider your decision and continue to reign over us'. In parliament, after the abdication, Lyons was at pains to stress that none of the King's ministers had advised him to abdicate. The King had been told only what could be done and he had chosen abdication and marriage to Wallis Simpson.

George Fairbanks, in his *Australian Outlook* article, suggests that a great deal of popular opinion in support of the King was given little outlet at the time of the abdication. The Lyons Government kept the lid on public comment in the press and parliament until word had come from Britain that the King had abdicated. Then

Lyons made a statement to the House. In managing the affair in this way, the Lyons Government acted in keeping with London's wishes. Once Lyons had made his statement to the parliament, opposition leader John Curtin supported him immediately and the parliamentary gag was lifted.

Whether a public airing of the views of the King's handful of supporters among more liberal commentators would have made any difference to the situation is very doubtful. The position of monarch is not a popularly elected one; it relies on strong constitutional limits and is bound by the goodwill of the British public at the time. It would appear Edward VIII did not understand this. In Britain, Winston Churchill led the King's supporters to the end, rallying sympathisers at the Albert Hall with a speech in support of the King during a public meeting calling for rearmament; in Australia, it was left to Billy Hughes, who was reported in the *Sydney Morning Herald* on 7 December warning against abdication as having 'unpredictable consequences to Britain, to the Empire and to the world at large'.

But it didn't. And former Irish nationalist sympathiser Joe Lyons, whose advice had been a significant factor in the King's abdication, could only conclude to the House

how deeply we regret His Majesty's decision, and how profoundly grieved we all are at this sudden termination of a reign which seemed so full of promise ... I appeal to members of this parliament, and to the people of Australia, to show to our new sovereign all that loyalty and affection which they showed to his brother and father, and I am certain that this appeal will not be in vain.

Even as Lyons spoke, unity within the Empire was becoming ever more urgent. In October 1936, as King Edward VIII brooded over reactions to his love for Wallis Simpson, Hitler and Mussolini had signed the Rome–Berlin Axis.

19



Peace and war

Canberra, Thursday – The Federal government has decided to grant landing permits to certain Jewish passengers who reached Brisbane on the Nieuw Holland yesterday. They had been temporarily refused permission to land.

The Argus, 7 October 1938

Australia, it could be said, lost two prime ministers as a result of the pressures created by the Second World War – Joe Lyons in the months leading up to the declaration of war against Germany by Britain in 1939, and John Curtin in 1945, just two months after the surrender of Germany and a month before the end of the Pacific war against Japan. Both died of coronary occlusion or heart disease. Both were quasi-pacifists. One was given the task of preparing Australia for war, the other to lead the nation through it.

Embarking for Europe in February 1935, Joe Lyons was making a maiden voyage to the northern hemisphere where so much of Australia's interests were focused. Like none other, this trip would cement the grave issues that dominated Lyons'

administrations: trade, defence and the importance of Dominion status to the Empire. Tucked away in a corner of the South Pacific, six million Australians of mostly European origin had little, at best limited, capacity to envisage the complex undercurrents that propelled civilisation in the old world. Those with London experience such as Stanley Bruce or Richard Casey had an edge when it came to foreign relations with Whitehall, but mostly as chums of a few among the upper class, while those from Labor origins would all too often thumb their noses at notions of superiority from London. And, from the vantage point of London or Washington, Australians were simply small extensions of older worlds, intriguing curiosities but dominated by Mother Country Britain and its Empire shadow. It could not be otherwise for a fledgling, immigrant British nation, still derivative in its culture and afloat in a neighbourhood so dissimilar. For all that, Australia's Dominion status gave it clout. Its geographical position, its relationship to Britain, its global importance as a trading partner at a time of a world trade crisis, along with its Western culture and links to Western centres of power registered Australia as worthy of note. A friend in the Pacific was what all European and North American powers craved, and Australia stood out in that. With this, as for other Australian prime ministers before and after, Lyons recognised a certain bargaining power.

Nothing defined the actions of most world leaders during the 1930s more than the phrase 'peace in our time'. Peace, continuance of global peace, the benefits to be derived from peace, peaceful interaction between nations to inspire increased global trade and keeping open diplomatic channels between nations in the pursuit of peace and trade were the overriding endeavours of the 1930s for governments. Returning from their trip overseas in 1935, Enid Lyons had made it her mission to talk whenever she could about the need for peace, recalling 'the detachment of mounted cavalry' in Rome, 'all of them young boys'. Enid and Joe had visited Australian war

graves in northern France during their trip, where over 5500 young Australians had died in one night at Fromelles.

Global leaders in the 1930s can only be judged truly by reference to what was known and experienced at the time. Overwhelmingly, for leaders in the 1930s that experience was the collective memory of the bloodbath of the First World War. This was vividly implanted throughout the 1930s by popular literature, such as the poems of Wilfred Owen. Other horrors paled in the shadow of the sacrifice of the Great War, with the *modus operandi* of Western democracies. Hitler and Nazi Germany, alongside accumulated disturbing reports from Stalin's Soviet Union, registered as dangers on the march, but nations were paralysed and had little sense of what to do.

This latter factor has been described by former US Secretary of State (1933–44) Cordell Hull, in the first volume of his memoirs, as 'a basic weakness [where] the people have an important voice', adding that '[democracies] have a record of moving slowly – too slowly – in the face of external dangers either imminent or seriously threatening'. He considered ancient Athens as a prime example, concluding: 'That little nation sought, in the face of certain danger from abroad, to conduct a popular vote on whether Athens should fight ... This weakness proved the undoing and ultimate death of the Athenian democracy.'

It was Cordell Hull's firm view that a second global war was inevitable from the time France and Great Britain refused to countenance a 'preventative war' while they had military superiority over Germany in the first years of Hitler's ascendancy. Instead, they allowed Germany to 'gain superiority and threaten their very existence'. Hull reminds his readers of France's attempt at preventative war in its invasion of the Ruhr in 1923, which Britain refused to support, ending in the fall of the French Government. As in the Cold War of the 1960s to 1980s and much diplomacy in decades to follow, nations in the 1930s were loath to fire the first shot and bring on a world war. The USA was the most isolationist of all

nations in this. In Australia, left of centre politicians and the Labor Party in particular were outspoken as being both pacifist and neutral before the outbreak of war. Those of the extreme left within Labor tolerated the Nazi–Soviet Pact between Hitler and Stalin, signed on 23 August 1939.

Ironically, all the talk and appeasement of the 1920s and 1930s ended in world war. Post-war appeasement, such as the division of Europe by Roosevelt, Churchill and Stalin, should be remembered in this context. Recall of the devastation of the First World War pushed the Munich Agreement with Hitler in late 1938, just as the slaughter and devastation of the Second World War pushed the agreement at Yalta to satisfy Stalin. In both, innocents in their millions were sacrificed even as a majority proclaimed peace in their time.

A Pacific pact of non-aggression

Lyons' 1935 trip abroad took him to the USA and Canada on his way home from Europe. The only other Australian Prime Minister to have visited the USA while in office was Billy Hughes in 1918 and he had not impressed President Woodrow Wilson. Lyons, on the other hand, was greeted with warmth and recognition in both New York and Washington. Joe and Enid enjoyed a night at the White House with the first couple, and Lyons and Franklin D. Roosevelt sat up late yarning over their respective political perspectives. In a short time, Lyons and Enid left an impression. In June 1939, after Lyons' death, Enid Lyons received a letter from Esther O'Neill of Fall River, Massachusetts, whose friend Mrs Louis McHenry Howe had met Joe and Enid during their White House visit. Esther O'Neill wanted to pass on to Enid Lyons how she had spoken with a local financier, president of a bank, shortly after the Lyons' US visit who had told her that, until that conversation, she had no idea of Joe Lyons' standing as 'a power in the world of finance'. As well, her

friend Mrs Louis McHenry Howe had spoken of the morning spent on the White House patio at breakfast with the Lyons couple and how well thought of they were by Franklin and Eleanor Roosevelt.

The Great Depression, as Paul Hasluck put it in *Light That Time Has Made*, was a time when Australians realised that they were not masters of their own fate and were 'subject to what happened elsewhere' and even 'the victims of what happened elsewhere', and that they had to 'make painful adjustments'. Lyons, however, also believed it was time for Australia to connect with that 'elsewhere'. There was trade, above all, but also foreign relations beyond the Empire. Philip Hart noted in his doctoral thesis that Lyons, the Prime Minister who created an Australian Department of External Affairs and put in place the processes for Australia to establish its own embassy in Washington, was the first Australian leader to broach the subject of anything approaching an Australia-US alliance in his proposal to Roosevelt of a 'Pacific Pact of non-aggression'. Hart described this proposal as having 'briefly concerned Cabinet after the weakness of the League of Nations' security provisions was exposed by the failure of sanctions against Italy'. Roosevelt was taken with the idea of a Pacific pact but it remained for the while just that. For the most part, the Lyons' 1935 visit to North America was one of goodwill and a chance to speak directly to that great power so much closer than Europe in proximity to Australia on the eastern rim of the Pacific.

Issues of trade with both the USA and Canada dominated the discussions on Lyons' US trip. Lyons and Enid were noted widely. Lyons featured on the cover of *Time* on 8 July and its *Foreign News* article referred glowingly to him as the 'premier' who had pulled 'spendthrift [Britain's] Daughter Australia' out of penury. Lyons was favourably compared with the UK Prime Minister, Ramsay MacDonald, who had also left his Labour Party in the interests of national government. Lyons was touted as a freedom-loving Irish Australian to boot, who had mended fences in divided Ireland.

A prominent photo of Joe and Enid appeared in the *New York Times* beside a column report headed 'Premier J A Lyons of Australia Here'. The formal dinner for the Lyons couple at the White House had been a significant occasion and well reported in the local press. Joe and Enid also had managed to visit West Point Military Academy within a day of arriving in New York before leaving by train for Washington. In Canada, Prime Minister Richard Bennett gave Lyons a gold fob watch as a gift to remember his visit – and they would become good (but distant) friends.

In 1937, when Lyons returned to Britain for the Imperial Conference and the coronation of King George VI, world events had moved rapidly since the meetings of Dominion heads of government in the jubilee year of 1935. The Spanish Civil War had focused attention on the military ambitions of not only fascist Europe but also Soviet counterparts, and on the threat of communism. To a large extent, as Ann Moyal has discussed in her paper to the 2008 Independent Scholars Association of Australia Conference, titled 'Politicians and Appeasement in Australia', Lyons believed the conditions imposed on Germany by the Versailles Treaty were overly harsh, and also that international communism was a greater threat than fascism. Lyons' interest in Mussolini, whom he met with a second time on his way to London in 1937, stemmed partly from this belief that fascism was the lesser of the two European evils, and also from his Catholic interest in Rome, with which he and Enid had a certain affinity. In addition, Lyons believed strongly in his ability to negotiate reasonable outcomes.

Speaking at the first plenary session of the 1937 Imperial Conference on 14 May, Lyons noted 'the increasing participation in international affairs by the Dominions as sovereign nations' since 1935. He acknowledged 'the growing realisation that no nation can live unto itself' and that at successive Imperial Conferences since 1902 'the development of the Dominions towards nationhood has been recognised and the principles of free co-operation on a basis of

equality have been consistently applied'. Never has the Empire been more united, he concluded. But Lyons was also keen to point out that Australia was contributing heavily to its own defence, and was prepared to accept that it could no longer 'shelter behind our partnership in the British Empire'. In this Lyons was eager to remind the UK that Australia was no burden in the Pacific but an equal partner. Australia had long looked to Britain to enhance its security by a strong British naval base at Singapore, the development of which was a drawn out and incomplete matter in 1937. In this vein, Lyons introduced his wish to start discussions on a 'pact of non-aggression by the countries of the Pacific, conceived in the spirit of the principles of the League'.

Lyons' idea of a Pacific pact was loosely defined. David Bird argues in *J A Lyons – The 'Tame Tasmanian'* that the weakness of Lyons' case for the pact was that the Australian delegation came with an idea and little else. But it was only Lyons' almost obsessive networking about the pact at many of the informal gatherings that pushed the proposal beyond a mere suggestion. When queried about the principles he had in mind at the fourth meeting of principal delegates, Lyons responded that the Australian delegation believed the Quadruple Treaty for Peace in the Pacific, signed in December 1921 by the British Empire, France, Japan and the USA, could serve as a guide. The signatories of 1921 had bound themselves by a ten-year agreement to preserve peace in the Pacific and to gather around the table to talk over 'fully and frankly' anything not adjustable by diplomatic means.

Reservations from delegates, especially those from Britain, about the Pacific pact concept continued throughout the Imperial Conference, but the suggestion was taken seriously and a technical committee was appointed to test its assumptions and feasibility, all of which can be traced from *Documents on Australian Foreign Policy 1937–49 Volume 1*. The committee, chaired by Alexander Cadogan, pointed to difficulties over the proposal, including that of China in

relation to Japan in Manchuria and problems relating to any inclusion of the Soviet Union, with its strained relationship with Japan. Nonetheless, at the fifteenth meeting of principal delegates on 8 June, British Foreign Secretary Anthony Eden advised that difficulties arising from the committee's report could be overcome with further discussion and diplomacy, and Lyons believed he had received a general nod of approval for the concept, declaring that he could 'leave the matter in the hands of the United Kingdom Government with absolute confidence'. The conference resolved to approve further investigation of the proposal as suggested by UK Prime Minister Neville Chamberlain and accepted by Lyons.

Lyons' Pacific Pact of Non-Aggression, conceived in the comfort of the White House over after-dinner drinks and fleshed out further in the diplomatic high ground of Whitehall at the Imperial Conference in May–June 1937, would be hastily aborted as Japan began war in earnest against China in July, making a full-scale attack on Shanghai in August. On 30 September, just three weeks out from a federal election, Lyons would cable Bruce in London: 'Resolution of moral condemnation on bombing of open towns by Japanese aircraft widely regarded as justifiable and feeling in Australia is hardening against ruthless nature of Japanese aggression.' The Nanking massacre and the fall of Nanking followed in December. By 1938, China and Japan were locked in battle, with major losses on both sides.

Talk peace, prepare for war

In his speech to the first session of the 1937 Imperial Conference in London, Lyons had reported that while Australia's future was 'bound up with her primary industries' which were 'vital' for its external trade, Australia at the same time regarded 'the development of secondary industries as highly important ... in the framing of our trade policies'. Fledgling secondary industries had in fact become increasingly desirable to the Lyons Government, not

only as industries to absorb the unemployed but also as a base for increased manufacture of components used in military hardware. On 7 September 1938, as war in Europe seemed more and more inevitable, Robert Menzies and the Minister for Trade and Customs, Thomas White, returned from Europe to Fremantle, where Menzies gave a major address outlining the work of the Australian trade delegation to Britain, but also warning that Australia would need to expand its developing industries in order 'to become substantial exporters of manufactured goods'. Australia was rearming on a grand scale for much of the Lyons years – even as the Prime Minister talked ardently of peace.

There was nothing contradictory in this for Lyons, or for Neville Chamberlain, who did much the same in the UK as Chancellor of the Exchequer and Prime Minister. Graham Macklin in *Chamberlain* summarised how, by 1936, Chamberlain 'had increased defence spending to £186 million out of an overall budget of £797 million in its arms race with Germany'. After Chamberlain took over from Baldwin as Prime Minister in May 1937, defence spending and rearmament was more capably employed and rapidly increased. Bruce, writing to Lyons in December 1937, enclosed figures on the arms deficiencies of Britain as opposed to Germany, which he described as 'explosive'. But Bruce assured Lyons that Chamberlain was on the case, unlike the drift with Baldwin, adding: 'He [Chamberlain] has already taken a firm grip [and] we shall see a very marked improvement as far as Air Defence is concerned, by which I mean the more rapid production of the necessary AA guns and other defence requirements.' According to Macklin, defence spending was drifting by mid-1937, with little government planning. But in 1938, Chamberlain had intervened and accelerated rearmament. Appeasement was the upfront diplomatic negotiation for peace; the build-up of arms was a simultaneous back-door insurance policy to defend the homeland in the event of attack.

Lyons reported in his speech to the Imperial Conference that

‘the rearming of the fixed defences of the main Australian ports’ was being carried out at an estimated cost of £3.2 million, with air co-operation provided for such defences, facilities for naval repairs maintained and naval oil fuel tanks constructed (with 41 per cent of a three year defence expenditure going to the Navy). Additional to this, the Australian Government had established munitions factories at a capital cost of £3.5 million and preparations were under way for the Australian manufacture of aircraft. Defence expenditure had grown in Australia from 5.5 per cent of annual expenditure in 1933–34 to 9.4 per cent in 1936–37 and would be 14.9 per cent by 1938–39. David Bird, employing a little hyperbole in *JA Lyons – The ‘Tame Tasmanian’*, opined: ‘It is difficult to find any public utterance by Lyons after 1932 that does not contain the word “peace”, but in those years he prepared the nation for war.’ Bird described Lyons’ defence spending as ‘staggering’.

There were five rearmament programs during the Lyons years. At first, from 1934, defence spending came from accumulated surpluses as the Lyons Government pulled back from the worst of the economic downturn. Senator George Pearce as Defence Minister set in place a rebuilding of the defence forces to their capability prior to the Depression. With Japan’s invasion of Manchuria, the case for defence spending won out over opposition from the disarmament lobby. Following their attendance at the 1937 Imperial Conference, both Lyons and Defence Minister Archdale Parkhill were cognisant of the fact that Britain was not in any way ready to make a fleet available in Pacific waters should Japan move south. On their return to Australia, in spite of a temporary downturn in commodity prices and unemployment levels still at nine per cent, Lyons agreed to added defence expenditure for further rearmament in a program initially designed by Parkhill and later by Casey and new Defence Minister Harold Thorby after a major defence review. Munitions supply to the Army formed a significant part of this review.

These developments are all outlined comprehensively in Andrew

Ross's *Armed and Ready*. Some of the thinking behind Henry Gullett's trade diversion policy had been that Australian manufactures of engine parts would be developed with British investment in Australian factories. And there was also hope that munitions orders would follow, although this did not happen until the war had actually broken out. In a speech on 27 August 1937, Casey defended the additional defence expenditure which had stretched the Budget beyond capacity by saying 'all the government's proposals for increased defence expenditure are essential ... [since] expenditure is not translated into actual armaments overnight [so] the whole of its present program should be undertaken now in the interests of the security of Australia.'

The work of Andrew Ross in *Armed and Ready* has now revealed the truth of how the Lyons Government prepared for a war it hoped would never happen. Ross concluded that the 'large number of Australian scholars who have portrayed Australian governments of the 1930s as being short-sighted over defence and sycophantic to the British over foreign policy are mistaken'. Ross demonstrates that from 'an economic perspective' the ideas behind the defence spending of the Lyons administrations were 'bold and sensible' in that they emphasised 'technology and productive power rather than increasing greatly the size of the standing Armed Services'. Ross adds: 'Australian scholars have also done particular damage to the reputations of Lyons and his treasurer, Casey. These two men were courageous in their economic policy, particularly when compared against the economic theory of the period. Both men also played a vital role in the completion of the industrialisation of Australia.'

Another election

The Lyons Government was the first Commonwealth administration in Australia to win three consecutive elections. Billy Hughes would last longer (marginally) than Lyons as a prime minister but

after his third election win in 1921 he did not continue in that role. However, in September 1937, a third win at the polls was not a given for the UAP. The 1937 election would be a triumph for Joe Lyons personally.

Set down for Saturday 23 October, the federal election of 1937 began with most UAP candidates fearful of defeat for their party. The Gwydir by-election result in May had gone to Labor, with Labor leader John Curtin standing solid with Lang Labor, while the Country Party remained divided. It was an omen. The UAP government of Lyons had drifted, with the trade diversion policy inviting protest and the Prime Minister's trip abroad for the Coronation a leadership absence in times of discontent. It was not surprising that Lyons cancelled his proposed US visit on the way home from the Coronation in 1937. New Labor leader John Curtin was making his mark in the vacuum.

Arriving home on 30 July, Lyons remained upbeat – no doubt his trip abroad had given him a lift. Moreover, his contact with Europe would add urgency to his message that Australia needed strong and secure leadership in times of global uncertainty and international threat. On their arrival back in Australia, Lyons and Enid received a standing ovation at a rally of 2500 enthusiastic Melburnians. Lyons' message to the crowd was that a strong and united Empire was what the world needed for peace. Naval power would be the first line of defence. As the election campaign got under way weeks later, Lyons was back on the road in a mode he knew well. The *Sydney Morning Herald* reported on 1 October that in Darlinghurst 'crowds surrounded him as he made his way to his car and cheered enthusiastically as he drove away'.

John Curtin was facing his first election as opposition leader and his freshness had an edge. The UAP had seen out nearly six years in government, but the Depression had lifted and the attacks from Labor on government outcomes were telling. In response, as George Pearce noted, Lyons brought out the successful election strategy

that had served him well over decades: straight-talking mixed with lots of spin and a saturation propaganda campaign, with Lyons at multiple podiums and his MPs and candidates fighting a cohesive campaign. In readiness for the election, UAP party headquarters had put together a 130-page campaign document for candidates entitled *Speakers' Handbook – The record of The Lyons Government – Federal Election 1937*, which gave any MP or candidate using it every argument in favour of returning a Lyons Government.

Where Curtin deprecated Empire dependence, Lyons talked up the security of a collective defence strategy. At heart, justifiably, Australians could not believe their nation had the capacity to hold off any unseen aggressor alone. John Curtin would accept this when Prime Minister himself. Throughout the election campaign, Lyons talked up security and trust, even as the Labor Party threw at him the idea that he would introduce conscription which he had opposed so strongly in the past. By 11 October, Lyons was attacking Labor for its 'isolationist' policies. UAP half-page newspaper ads made use of the Lyons brand, a sort of personality cult, with huge photos of Lyons' face and captions that made him the message: 'A Job that only Lyons Can Do!' and 'Carry on Lyons We Trust You', while one cheeky UAP cartoonist's ad had Labor leader John Curtin speaking at a podium with a huge caption reading 'Look behind the Curtin'. Ghostly images of Lang, Langite federal MP Jack Beasley and Communist Party leader Jack Bramwell Miles appeared as Curtin's backdrop.

By the last week of the 1937 campaign, Lyons was talking of winning seats – hype maybe, but certainly confidence. The result on the Monday after the election was little change in the party seats with Labor making small gains in both houses. This was a grand victory for Lyons, but the UAP was quiet in its celebrations. Archdale Parkhill had lost Warringah to Percy Spender, who stood as a conservative Independent and joined the UAP after the election. Party loyalties were by this time quite frayed, with divisions still

waiting an opportunity for showdown. That Lyons would circumvent a party spill a year later would be yet another surprise from his leadership, but at the cost of not only his health but also the party.

Amateur diplomat

For historians, hindsight is a most valued attribute. Post-Second World War assessments of the 1930s are undoubtedly advantaged by knowing what sadistic extremes Hitler's Germany would achieve, or the extent of Japan's military obstinacy – something not possible in the minds of global leaders before 1940, in spite of the terror inflicted on German Jewish citizens before that date and the summary crushing of opponents by the Third Reich. As Hitler was reported to have said of the world before his extermination camps had been built, 'Who remembers the Armenian genocide?'

It is now easy to deride attempts by political leaders in the 1930s over their dialogue with dictators like Mussolini and Hitler. But, emerging out of the League of Nations approach that would become the United Nations approach, the idea that world conflagration could be averted by give and take, by intelligent reason and negotiation was hard to move in the 1930s. In *Troublesome Young Men*, Lynne Olson tells the story of the rebel Conservatives who opposed Chamberlain's idea of appeasement, among them Harold Nicholson, Duff Cooper, Harold Macmillan, Ronald Cartland and for a while Anthony Eden. Among them also was Winston Churchill. They saw Chamberlain as dictatorial and impossible to influence, and ready to shut out any sign of divergence from his way of doing things. But Chamberlain's belief in appeasement was still very widespread in 1938, even as Hitler stomped around his neighbours in Europe.

Appeasement, both economically and politically, had been the operative word for a decade; it was the dominant aspiration of those modern times. Attorney-General and Minister for Industry Robert

Menzies visited Berlin in July 1938, post-Anschluss, and reported back that Germany was no threat and that (as Allan Martin has summarised) ‘more and more pressure should be put on Prague, and more and more pressure on the English press “not to talk dangerous nonsense about firm stands and successful threats at Berlin” ’. In London, as David Dutton in *Reputations: Neville Chamberlain* records, even anti-appeasement Harold Macmillan told his constituents in March 1938 that Germany’s violations of the Versailles Treaty were not ‘in principle of a kind to which objection could be made’. And not all the ‘English press’ were onside with anti-German sentiment by any means. Olson tells how newspaper magnate Lord Beaverbrook, in spite of being a friend of Winston Churchill, used his press to attack Churchill as a warmonger and, in early 1938, ordered the cancellation of Churchill’s bi-weekly column in the *Evening Standard*, with the editor telling Churchill, ‘Your views on foreign affairs and the part this country should play are entirely opposed to those held by us.’ Anthony Eden would resign as Foreign Secretary in February 1938, to some extent over disagreement with Chamberlain’s readiness to negotiate with Mussolini. But, as Olson demonstrates, Eden never quite cut his ties with the Chamberlain leadership.

Australia’s formal recognition of Italy’s acquisition of Abyssinia came in a cable to the Secretary of the Dominions on 7 November 1938. This followed from Chamberlain’s fresh approach to Italy and was heralded in a cable from Malcolm MacDonald, UK Secretary of State for Dominion Affairs, to Joe Lyons on 27 January 1938. The UK’s frigidity over Italy’s Abyssinian takeover had melted, albeit with the resignation of Eden, who had been a long-standing opponent of Italy as central to instability in Europe. Many have argued that Eden’s intransigence in regard to Italy helped drive Mussolini into Hitler’s hands. But by 1938, Chamberlain was ready to have ‘conversations’ with Il Duce. In 1937, during their stay in London, Joe and Enid Lyons had struck up a friendship with Neville and

Anne Chamberlain, culminating in a lunch at Number 10 recalled by Enid Lyons in her writings. In many ways, Joe Lyons and Neville Chamberlain were similar in their collegial approach to government, their thrift in economic management and in their complete horror of sending their citizens to another global conflict like the world war of their recent memory. Lyons' arguments about dealing with Mussolini had appealed to Chamberlain, who had not been PM in 1935 when the Italian invasion of Abyssinia had become an international incident.

Lyons had not taken to sanctions against Italy over Abyssinia in a hurry, believing Mussolini held the key to peace with Hitler, and having just returned to Australia from his European visit, during which he had met Il Duce. In the midst of debates over what to do in regard to Italy and sanctions, Lyons had been forced to ask for the resignation of Billy Hughes from the Cabinet over his book *Australia and the World Today*, which argued that 'economic sanctions are either an empty gesture, or war'. Within months, however, Hughes was back in Cabinet, leading one cartoon to suggest Lyons had spanked him with a feather. But Lyons was a conciliator and this was not surprising. Australia went along with global sanctions against Italy, but they proved ineffective. In April 1937, Lyons had met again with Mussolini, this time at the Palazzo Venezia off the Corso in downtown Rome. Weeks later, at the tenth meeting of principal delegates to the Imperial Conference on 1 June, Lyons related how 'he had recently seen Signor Mussolini who had told him that there was every possible reason why Italy should be friendly with Great Britain. If the relations between the two countries were strained, Italy could not possibly develop her homeland much less her overseas empire. Signor Mussolini had asked him to inform Great Britain that he wanted peace, and wished to live only on the most friendly terms with Britain in the interests of Italy itself'.

Much has sometimes been made of Lyons' meetings with Mussolini, to the extent that there was some special and warm

relationship. Nothing could be further from the truth. As David Bird demonstrates in *J A Lyons: The 'Tame Tasmanian'*, Lyons' first meeting with Il Duce in 1935 was a bare 20 minutes and at best a courtesy call. That Lyons had reworked his itinerary to visit Rome on the way to the USA, after an invitation from the Italian Government to meet with Mussolini, is not surprising. The Lyons' fascination with Il Duce was replicated around the world at this time. US President Franklin D Roosevelt, for one, had a great admiration for what Mussolini had achieved in Italy. Joe Lyons' second meeting with Mussolini was in 1937, and more serious, but entirely in Mussolini's interest to have Lyons play messenger to the British Government that Italy was ready to talk after the strain of the Abyssinian fallout. Lyons' parochial Australian success in negotiation gave him confidence but left him unprepared for deeper extremes to be found in old and bloody Europe or the territorial ambitions of old enemies in South-East Asia.

In his cable to Lyons in January 1938, Malcolm MacDonald, Secretary of State for Dominion Affairs, began by referring to Chamberlain's delayed attempts to begin an 'exchange of letters' with Signor Mussolini. Lynne Olson records how, for a time, Chamberlain's sister-in-law Ivy acted as his 'unofficial emissary' to Il Duce. Britain had stopped an official letters exchange with Il Duce owing to Italy's involvement in the war in Spain in support of Franco. But Italian 'propaganda' against Britain worried the British Government, which now desired a channel of goodwill between the two nations. Many nations had by then accepted Abyssinia as part of the Italian empire. MacDonald's cable also referred to conversations held by Lord Halifax 'with various members of the German government' about which there would be a further cable. On 17 March, MacDonald sent a brief cable that the UK was about to announce it recognised that 'the Austrian State has now been abolished as an international entity, and is in the process of being completely absorbed in the German Reich'. Even Lyons was taken by

the abruptness of the decision and cabled back 'my Government feels doubts about so prompt a de jure recognition, having regard to a sensitive public opinion, the fact that Plebiscite not yet taken'. It was indeed peace at any price.

By September, German claims over Czechoslovakia's Sudetenland, home to millions of Germans, had reached crisis proportions. Britain's intervention had persuaded Czech President Edvard Benes to accept mediation, but daily news reports over months registered German impatience and Czech dismay at Hitler's intransigence. A French and British plan, reported on 22 September, ceded Czech territory to the Germans. The Czechs resisted and threatened armed resistance with Soviet support. War seemed inevitable. As September drew to a close, Hitler made a speech in Berlin giving the Czechs until 1 October to surrender the Sudetenland or Germany would take it by force. On Thursday 29 September, Australian newspapers reported what newspapers around the world were reporting: 'The World is Waiting', 'Situation is Obscure', 'Roosevelt Appeals for Peace Again', 'Fate of the World Hangs in the Balance'. What the world did not know was that a phone call from the Australian Prime Minister may have changed Hitler's timetable – for a while.

On 28 September, Lyons made a long statement to the House outlining developments in the 'European crisis' which most people believed had made war imminent. Lyons traced the build-up over months of German encroachment on the Sudetenland, the many exchanges between the British and the Germans, the Czech position and German grievances, and he read out letters and memoranda between Chamberlain, Hitler and the Czech Government. After all this, he then hinted at a possible breakthrough in communications between Chamberlain and Hitler. In fact, as would be revealed a few hours later, what he was referring to was an initiative Lyons himself had proposed, directly to Chamberlain by telephone and cable, from Canberra.

Enid Lyons recorded her version of the story in *So We Take Comfort*. In the hour or so before Lyons had got up in the House at 11 pm to speak on the European crisis, he had been in touch with Chamberlain to suggest using Mussolini to set up a meeting with Hitler. It had been Enid's idea that Lyons phone Chamberlain and suggest this, to try one last meeting for negotiating a settlement of the Sudetenland question. The Chamberlain papers at Birmingham University contain the note Neville Chamberlain wrote on his 10 Downing Street stationery that morning after Lyons' cable arrived. In light pencil, it reads simply: 'Lyons cable suggesting Mussolini. Bruce might go himself'. Chamberlain's wife, Anne, left her own scribbled record which is also in the Birmingham University Chamberlain collection, also on 10 Downing Street paper. Her note reads:

He was called to the telephone at 7.30 ... waiting for his call from Mr Lyons – he started his letter to Hitler. When I came down to breakfast at 8.30 he was writing something & soon after told me that it was to Mussolini. He then read out the two letters. Took them downstairs as soon as the Secretary arrived. They got through to the Foreign Office & Lord Halifax ... letters were on their way to Germany and Italy.

Lyons had added to his phone call a cable which read, in part:

At this late hour I venture to suggest that there may be some possibility of averting a war by personal appeal to Signor Mussolini. I can think of no other individual who might be able to influence Herr Hitler towards peaceful solution. If Bruce, our High Commissioner in London, could be of service to you by flying to Rome bearing personal message from you to Signor Mussolini you may of course regard him as available and I am cabling him to this effect.

Chamberlain flew to meet Hitler at the conference now simply known as 'Munich', a story retold over decades. The Czechs were

not invited; Britain, Germany, France and Italy signed an agreement for Hitler to take over the Sudetenland on 10 October. Chamberlain came back to London to a hero's welcome, and appeared on the balcony at Buckingham Palace, as no commoner had before, to the accolades of millions. Franklin Roosevelt sent Chamberlain a telegram saying, 'Good man.' And, in a letter written to Anne Chamberlain on 30 September, Queen Elizabeth, wife of King George VI, wrote:

Dear Mrs Chamberlain,

I have been thinking of you during these last agonising weeks, knowing & understanding something of what you must be going through. It is so hard to wait, & when it is on the shoulders of your husband that such tremendous responsibilities rest, then it is doubly hard. But you must feel so proud & so glad that through sheer courage & great wisdom he has been able to achieve so much for us & for the World. Our gratitude is beyond words, & I can assure you that our prayers that he might be sustained & helped through these frightful days have been very real. We have also felt most deeply for you, & do trust that the Prime Minister & yourself will be allowed some real Peace, & soon. I am, dear Mrs Chamberlain,

Yours very sincerely, Elizabeth R

Joe Lyons was in very good company as the Munich euphoria fanned expectations of continued peace. Then, as Chamberlain was taking stock of his pile of congratulatory telegrams, and German troops crossed into the Sudetenland singing and laughing, his First Lord of the Admiralty Duff Cooper resigned in protest. And, in Australia, the UAP Cabinet began to dissolve into recriminations and resignations over its defence policy.

20



Dying days

I rang the kids tonight and strange to say I heard
all your lecture to each of them! I called out
several times thinking that you would hear me if
I could hear both ends of your conversation but
apparently my line was only a listening set.

*Joe Lyons to Enid Lyons, 21 April 1938,
Oriental Hotel, Melbourne*

In his vale piece on Joe Lyons on 8 April 1939 for the Melbourne *Herald*, journalist Clive Turnbull recalled sitting with Lyons and a small group of supporters at Home Hill on the night of the 1937 election. It was 2 am and the group which had ‘gathered in a house on a rise above Devonport on the north-west coast of Tasmania, drank the health of “the present and future Prime Minister of Australia” ... listening to the results which finally secured his own return in Wilmot and the return of his party.’ It was a triumphant occasion in the face of years of resistance by Lyons to political and tribal pressures. As Turnbull recalled in that article, Lyons had ignored the ‘stony stare’ over years in Wilmot from former Labor colleagues

of his youth and had stayed with a personal conviction on policy. Even as Labor, in the 1937 election campaign, threw accusations at him that he had gone over to Tory warmongering, he held fast in his opposition to national service or conscription.

As Lyons entered what he could not ever know were to be his last months of life, old issues were once again his priority and burden. Amidst his era's global uncertainty, not just for national economies but also international security, Lyons and the UAP had made defence a strong point in both the 1934 and 1937 election campaigns. In March 1938, Lyons made a significant broadcast to the nation just on defence, previewing increased defence spending in the national interest. While Labor remained neutral even as the Munich Agreement was signed, in parliament Lyons could sum up, as he did on 2 November during debate on an opposition motion of no-confidence, the comprehensive build-up of Australia's defence forces over his years in office. He concluded by reflecting how, in the 1934 election campaign, Labor had made just one reference to defence which he described as 'a sneer at this Government for having ordered a cruiser'. In the 1937 election campaign, said Lyons, Labor had made only two references to defence and had announced a 'policy which placed its reliance solely on the provision of an adequate air force'.

Shortly after this speech, Lyons formed a new ministry and incoming Defence Minister Geoffrey Street announced an expanded defence program, along with record spending on defence for a peacetime government. It included a massive recruitment campaign, the creation of a new air force station at Townsville, a new dock in Sydney, a naval and air base at Port Moresby, the acquisition of an additional 50 Lockheed Hudson aircraft from the USA and two destroyers and twelve torpedo boats to be built in Australia. In a first ever national link-up of all broadcasting stations on 4 December, Joe and Enid Lyons would together launch the recruitment drive, to be spearheaded by the 'Little Digger' Billy Hughes.

The cost of this revised defence program, however, threw into focus budget shortfalls of some £3 million and immediately put pressure on the government's social programs such as the National Insurance scheme, debated through 1938 and passed in June of that year. And while announcements of defence spending and a National Insurance scheme appeared to be a new start for Lyons' third term in office, in fact drama and dysfunction, not unity, were their backdrop. Just a year out from that triumphant win on the night he had been toasted by friends and supporters in Devonport, Lyons faced some of the worst weeks in his political life.

Worn from the tension and strain leading up to Munich, Lyons had taken leave in Devonport immediately after announcing Chamberlain's deal with Hitler on 30 September, which had calmed world fears and given (false) hope there would be peace in Europe. He did not, however, become an invalid hanging on to the job, as some writers have suggested over years, in spite of a medical condition that stemmed from a deteriorating heart. Nor did Lyons completely believe the world had been made safe by the Munich Agreement. Defence spending continued to drain the Budget and an all-out effort to condition the nation for the possible danger ahead became the norm. Billy Hughes' recruitment campaign was so successful, by March 1939 the bureaucracy processing the intake could not keep pace with the numbers. What is remarkable in the weeks leading up to Christmas 1938 and in the early months of 1939 is the energy Lyons found while under enormous pressure and with failing health.

The rivalry and discord among the egos and personalities of the UAP came into the open in October 1938. Consequently, it was easy for Labor leader John Curtin to characterise the government as 'suffering from both tiredness and old age', arguing as he did in his no-confidence motion on 2 November. Ministerial reshuffles had become a feature of the UAP's hold on power. Speaking to the no-confidence motion, Curtin mockingly suggested that 'the Prime Minister's tenure of office seems to demand that more or

less annually he must sacrifice some of those who serve in his Ministry'. Lyons might make a wily riposte to the charge of reshuffles – '[Mr Scullin] set a standard in this regard with which we have not been able to catch up' – but the sting in the attack was telling. The government was being accused of drift – not for reasons of defence spending but for lack of direction or newness of approach. Australians sensed an end to economic malaise but still saw unemployment, poverty and hardship for large numbers. A serious coal strike in 1938 heralded a new era of union demands and a return of the worker. The government's National Insurance legislation, or National Health and Pensions Bill, was a far-sighted attempt to combine pension payments and employee contributions with social welfare, but it was initially attacked by Labor on the left as not good enough and by rural groups as a burden on employers. Labor also attacked defence spending as stealing from revenue the government might have spent on houses, hospitals and schools. And in September, Treasurer Casey had announced 'all round tax increases' to cover the increased defence spending.

The intensifying international situation in 1938 had also divided the UAP. Giles MacDonogh has demonstrated, in his *1938: Hitler's Gamble*, that this was the year the German Reich fully consolidated its murderous intent, disturbing liberal Germans with decisions that also offended the old German nationalists who were more and more shut off from power. The year drew towards its end with the butchery of Kristallnacht, which for old nationalists was simply embarrassing. The bloodbath against Jews across Hitler's Germany on the night of 9 November occurred a month from the day of the final takeover of the Sudetenland under the Munich Agreement, which in just a matter of weeks would count for very little in terms of stopping the Fuhrer's excesses.

UAP Conservatives like Thomas White and Henry Gullett wanted stronger moves to equip the nation for a war footing. National service was the cry. Gullett had become increasingly alienated from

a Cabinet he no longer belonged to. He had joined forces with an equally alienated Keith Murdoch, whose Melbourne *Herald* had begun a campaign against the Lyons Government. Enid Lyons was tipped off by journalist Tulla Brown that Henry Gullett was writing the *Herald's* anti-Lyons articles. Keith Murdoch revealed his antipathy towards both Joe and Enid in a letter to Clive Baillieu in January 1939 with a chauvinistic strain typical of his day. Murdoch, a very frustrated king-maker and even by then disappointed with Menzies, referred in this letter to Lyons and 'his wife', opining that Lyons was Enid's puppet, and that '[Lyons'] wife is an ardent pacifist; when he speaks she speaks; when he gives a Christmas message she gives one. When he appears at the microphone, she wants to appear also – and she does. Her message always, if we love our neighbours enough there will be no war. It is very pitiful.' The letter said more about Murdoch than the Lyons couple but it also revealed the conservative frustrations within the UAP.

Then there was the succession. Archdale Parkhill had lost his seat in 1937, along with senators George Pearce and Tom Brennan, and was out of the race. This gave Menzies confidence as he made another trip to the UK and Europe with Earle Page in mid-1938. But by late 1938 there was yet another rival in the wings: NSW Premier Bertram Stevens, who continued to have the backing of forces in the NSW UAP, as Sydney Snow's letter to Lyons of 4 January 1939 revealed. Snow believed the government was 'sent for' without some 'drastic action'. He supported Lyons for leader but felt Cabinet needed 'new blood' to 'restore public confidence in the Administration'. The 'new blood' he proposed were 'S M Bruce and Stevens', adding that Stevens was 'a man of great ability and, like yourself, with a keen appreciation of the difficulties of the "under-dog"'. By October 1938, Bertram Stevens was once more seen by many as a fresh face for federal leadership, talked up by positive press references. He also suited those in the party who saw Menzies as too unpopular and erudite to lead. Over the years of leader-

ship speculation, Lyons had prevailed while lesser rivals neutralised themselves. This would happen again in October 1938 but at great cost to Lyons and the party.

The aftermath of the Munich crisis left Lyons weakened physically, his body drained at the age of fifty-nine and his hair now stark white. In mid-November, Frederick Stewart, who had resigned from the ministry in February 1936, wrote to Lyons: 'One does not have to be very observant to realise the toll which leadership is exacting of you at this time.' In spite of their particular disagreements over policy, Stewart acknowledged that they remained united overall – 'What can I do to ease things for you?' He wrote, 'Can I collaborate with your Publicity Officer in any way? Would a definite personal drive through New South Wales in support of the Insurance Bill help ... What else can I do?' Stewart admitted in his letter to not being strongly in favour of the National Insurance legislation, but he was ready to rally support if he could help the Prime Minister. By March 1939, however, Stewart would be publicly accusing Lyons of 'trailing behind the skirts of the Treasurer Mr Casey' over changes that had watered down the National Insurance legislation.

Robert Menzies

Working to restore government initiative in Lyons' absence over the first weeks of October, Acting Prime Minister Earle Page had organised a special premiers' conference for 21 October. Page planned to present a renewal of government strategy to oversee national development on a grand scale. Page's account of the premiers' conference and its fallout are given in *Truant Surgeon*, where Page admits to having been convinced from his return to Australia that year of the 'inevitability of war'. His plan was to make use of senior business minds in an advisory committee alongside a ten-year plan for co-operative Commonwealth and state action in national development and security. It was an ambitious and hasty move on Page's

part, especially given the fragile nature of the Commonwealth Cabinet and the fractious sentiment of the premiers, one of whom had designs on national leadership. The special premiers' conference was not a success. Lyons attended but was unable to write his own speech owing to his ill health, and Page records how Menzies refused to make a contribution. Tempers were frayed. Page, who had little love for Menzies, wrote that 'Menzies adopted an aloof attitude'. This was undoubtedly true. But while Menzies was impatient for the leadership he wanted Lyons to hand him, he was also mindful of the positive words so often written in the press about Stevens and that premier's aspiration to go federal. The premiers' conference momentarily put wind in Stevens' sails.

The conference, however, did not advance Stevens' move to Canberra. The meeting broke up after just one day and rejected Page's proposals – in fact the premiers had dismissed them out of hand once they realised they were from Page. Stevens also earned the wrath of the Commonwealth Treasurer by pushing his by then familiar refrain, which was backed by A C Davidson at the Bank of New South Wales, for a more liberal credit policy from the Commonwealth. Casey point-blank refused, labelling the request as 'inflation'. The *Argus* reported on 24 October that 'it is now regarded as unlikely that Mr Stevens will enter federal politics at this stage'. The *Argus* story also compared Casey's put-down of Stevens with the Commonwealth's attacks on Lang in 1932. Stevens had blown his chances. But there was more to come.

For whatever reasons, whether frustration over his languishing ambitions or the competition from Stevens for the top job, Robert Menzies went straight from the premiers' conference to Sydney, where he gave a speech to the Constitutional Club on 23 October. The address and its sentiments were picked up by the press as signalling strong criticism of the Lyons Government for its weak leadership. There was no written speech and no recording. Assessments varied in different newspapers, as Allan Martin has carefully ana-

lysed in his Menzies biography. All agreed, however, that Menzies had been putting a view that Australia needed stronger leadership and that he had unfavourably compared Australia's democracy with the governance of European dictatorships.

The *Argus* began its report on 24 October with a direct quote from Menzies: 'Democracies cannot maintain their place in the world unless they are provided with leadership as inspiring as that provided by dictator countries.' Other brief reports of the speech suggested that Stevens' behaviour at the premiers' conference and the successful resistance of the states to the Commonwealth's national plan could well have sparked Menzies' sentiments. It could be argued, however, that Menzies was doing nothing more than rallying support for the federal leadership against revolt by the states. But to suggest that the dictatorships of Europe offered a guide to that leadership was a folly. And all this with his ailing Prime Minister surrounded by party conflict. Lyons had just presided over a premiers' conference that had rejected Page's national industrial and security plan, leaving him to resort to what had become Lyons' familiar and steadfast strategy of continuing negotiation. Only this time, that negotiation was to be with cranky state premiers. The Menzies speech ended in a debacle.

In *Among the Carrion Crows*, Enid Lyons described how she had read the press reports of Menzies' speech in bed that morning with Joe at the Lodge in Canberra. Her immediate reaction had been that Menzies was making a direct attack on the Prime Minister. As Enid recalled it, though, Lyons was at first angry and then calmed down and became more measured and replied, 'Not at all.' He did not agree that Menzies had been taking a shot at him or his government. But Enid had picked up the vibes acutely. In a letter to Anne Chamberlain, now among the Chamberlain papers, on 8 November Enid wrote, 'We too are in stormy political seas, the worst yet encountered by our ship. We are still afloat but, I fear, leaking rather badly.' By then, Lyons had re-formed his government.

The Menzies speech and its fallout triggered John Curtin's no-confidence motion in the House on 24 October, days later to be lost on party lines. The very wording of the motion, however, that the government had lost the confidence of the House because of 'its lamentable lack of leadership' echoed Menzies' speech. However, before the debate had even begun Lyons rose in the House to announce that a DC2 airliner, the *Kyeema*, had crashed into Mount Dandenong, on the eastern outskirts of Melbourne. The debate on the no-confidence motion was postponed and the House hushed. Some of the tension that followed appears in short extracts from Minister for Trade and Customs Thomas White's personal diary, quoted in Allan Martin's biography of Robert Menzies.

As the UAP party meeting got under way later that day, White recorded how 'when the air was rather electric after the set-back to Menzies, Bell, the Speaker, came in and informed me that Charles Hawker, Member for Wakefield, had been in the crash and was killed. The news shocked everybody.' Hawker, with his patrician and rural background, had early opposed the Lyons middle way, especially on tariffs. His doubt about serving under a former Labor leader had been obvious from day one. On 8 May 1931, he had written to Walter Duncan at the National Mutual Chambers, Adelaide, saying that he had moved his seat in the House of Representatives to one a bench back from UAP colleagues where it was more 'comfortable', and that he was not attending party meetings of the 'new symposium', which he wished well. Hawker had eventually joined the UAP team, and in spite of him leaving the Cabinet as early as September 1932, his wise counsel had been highly regarded across the coalition parties. He was often spoken of as prime ministerial potential, albeit without much Cabinet experience and a very individualistic style. His loss seemed to reflect the traumatic dysfunction of the parliamentary UAP.

During the days of party and Cabinet meetings following Hawker's death, UAP discussion of differences on policy became

more agitated. The Menzies speech attracted heated reaction. Cabinet even sat on 1 November, Melbourne Cup Day. Hughes clashed with White over conscription – White in favour and (strangely) Hughes now against it. White angrily left one Cabinet meeting telling Lyons he would not stay in a ministry which did not support conscription. He was soon persuaded to return. The press reported that Menzies was about to resign. He didn't. Then newspaper reports on 4 November announced that the Postmaster-General, Senator McLachlan, had handed in his resignation after questions had been raised in the House over his directorship of a company trading with the Post Office. In his *McLachlan: An FAQ Australian*, however, McLachlan makes it clear he had become disillusioned with Lyons' leadership during 1938, partly from Lyons' initial doubt over the wisdom of pushing the National Insurance scheme through parliament at that time, and partly from Lyons' ill health, which McLachlan felt had left the Prime Minister all too often 'rattled' in decision-making. On 24 October, the UAP party room had unanimously confirmed its confidence in Lyons as leader. It did so again on 2 November when Henry Gullett had (according to White's diary) asked that Lyons 'make way for somebody else'. But White's dislike of Menzies eventually pushed him to support Lyons and accept a compromise on conscription. At this point, any chance Menzies might have had to topple Lyons was gone, as Martin concedes. In *The Government and the People 1939–1941*, Paul Hasluck has argued that 'the pre-eminence of Lyons [was] due to the fact that he alone was respected and acceptable among a group of persons who did not all respect each other'.

For some years, criticism of Cabinet procedure had focused on Lyons' too easy hand at Cabinet meetings. In the mounting tension of late 1938, Lyons now agreed to an inner and outer Cabinet. The inner Cabinet, however, would simply be a 'policy committee'. On 8 November, Lyons announced his Cabinet changes in the House. But drama immediately followed when Thomas White rose to

reveal that he had in fact just resigned from his position of Minister for Trade and Customs, hours after being sworn in. White then read to the House his letter of resignation, which Lyons had received just an hour before. It was all delicious theatre for the media. Exasperated, Lyons responded by reading to the House his reply to White, which White had not yet received. Lyons' letter described how White had resigned after discovering he had not been included in the inner Cabinet. He had accepted his ministry position only to resign within hours, upset that a more junior UAP MP, Geoffrey Street as Minister for Defence, would take his place in the inner group. Lyons' response in the House crushed White. A canny political performer, Lyons was not hampered by his ill health when it came to meeting opposition in a tough-minded way. But in reading out his letter to White so dramatically, Lyons could only diminish both White and the party. It showcased a badly cracked UAP parliamentary team.

Against this backdrop of splintering and angst among UAP personalities, political discord around several issues dogged the Lyons administration over December and January. War was once again threatening as the Munich Agreement failed to contain Hitler. On 21 November 1938, post-Kristallnacht, Stanley Bruce had cabled Lyons with a request from the UK Government that the Dominions assist in the resettlement of European refugees displaced as a result of the 'treatment of Jews in Germany'. Bruce made the suggestion that Australia take 30 000 refugees over three years, adding that if 'a proper method of selection is instituted' the quota could be 'filled to the benefit of Australia'. Cabinet agreed Australia would take 15 000 refugees over three years and this intake would involve three categories, namely Aryans, Non-Aryan Christians and Jews. Sensitivity to non-Aryans was acute in Australia and would become a mark on Australia's reputation for generosity and fairness. In parliament on 22 September 1938, Labor leader John Curtin gave a taste of such feeling against non-Anglo settlers in Australia when

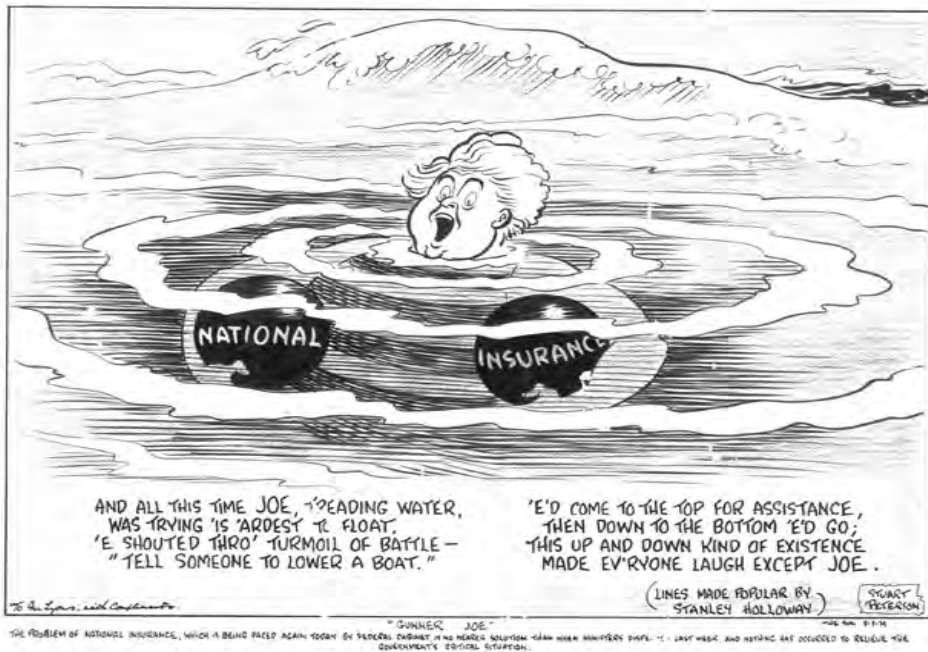
he questioned the Lyons Government's attempt to recruit immigrants from Denmark, arguing that 'the government needs to look at this matter more from the viewpoint of the future of Australia as an English-speaking community, and as an outpost of the British race, than merely from the narrow economic outlook'. Going further into his reservations about non-English-speaking immigrants, Curtin added, 'During the last few years, there has been a disposition on the part of migrants from certain European countries to settle in colonies in Australia. That, I venture to say, is not the type of migrant that we welcome.' The only significant group of European immigrant settlers Curtin could have been referring to was immigrant Italians.

Not only was Europe readying for a war footing, in spite of the Munich Agreement, but the war in China with Japan had intensified. In parliament, Labor and Curtin continued to hound the Lyons Government to concentrate on home defence and, on 27 September, 'not be embroiled in the disputes of Europe'. On 23 November, Lyons wrote to the Japanese Consul General in Sydney informing him that there would be no change in the Australian Government's decision to refuse export of iron ore to Japan from the Iron Knob in South Australia or Yampi Sound in Western Australia. Australia needed its limited supplies of iron ore for its own use, even if Australian-produced pig-iron would still be shipped to Japan. At the same time, BHP at Port Kembla became involved in a drawn-out strike, with waterside workers supported by local families, over a shipment of Australian pig-iron to Japan, which the union's leaders argued would help a fascist government kill innocent people. Robert Menzies, as the Minister for Industry, found himself the target of union anger and earned himself the nickname 'Pig-Iron Bob' thereafter as BHP closed its works and laid off 5000 workers in the Wollongong area. The strike extended into January 1939 when a deal was done to load the shipment. But the industrial dispute and its media reports had been messy, with Menzies seem-

ing inexperienced at handling the politics of it all. His stocks fell with the king-makers.

And then there was the National Insurance legislation. W J Hudson in *Casey* points out that although UAP MPs under Lyons and Casey have often been portrayed as ‘bumbling reactionaries’, they had in fact for a time ‘sought seriously to erect the foundations of a welfare state’. This is true, but their timing was unfortunate. On 17 December, when the Lyons Government decided to delay implementation of National Insurance until September 1939, Robert Menzies devoted his monthly Kooyong newsletter to explaining why the National Insurance legislation was a positive. In this letter, however, he acknowledged that ‘many people resent the introduction of National Insurance’. Not only had a growing defence budget put financial roadblocks in the path of a successful launch of the scheme, but increasing dissatisfaction among business leaders and rural groups was pressuring the UAP leadership to change tack at a time of its own diminishing popularity. W J Hudson also notes that while Casey had been the driving force behind the scheme, it was Menzies’ recollection that it had been Casey himself who had recommended to Cabinet that the government drop National Insurance ‘not on grounds of defence priority but because it was compromised by political controversy’. As Hudson argues, UAP supporters among the finance groups in Melbourne were most opposed to National Insurance, along with the Country Party. These Melbourne financiers had also begun to doubt Menzies’ electoral appeal, especially after the pig-iron dispute.

On 13 March 1939, the *Sydney Morning Herald*’s ‘Canberra Correspondent’ reported that Cabinet was meeting in a room in the parliamentary basement while a special device was being fitted to the ceiling of the Cabinet room upstairs to ‘permit tobacco smoke to escape’. The correspondent added, however, that ‘there are no indications that the Pipe of Peace has been handed round’. Cabinet was locked in what the newspaper described as ‘deadlock’ over



Cartoonist Stuart Peterson's take on Lyons' National Insurance problems – for the *Sun*, March 1939

Courtesy Home Hill Museum, Devonport

the 'Insurance Act'. A new campaign had been launched against the scheme, which was also very expensive at a time of national emergency. The writer added how there was 'an atmosphere of crisis throughout Parliament House as if a patient at death's door were on the premises'. And then he described frigid relations among Cabinet members:

At the meal adjournment Sir Earle Page, with his henchman, and potential successor, Mr Cameron, leave together and cross King's Hall as if they were the eminent consultant physicians in the case. Mr Menzies comes out silently and alone and makes

for his room. Mr Casey then emerges by himself and disappears into a corridor and Mr Lyons slips out of the building through a side door into his car. One by one the Ministers leave and move quickly away. There is no friendly intercourse, no light persiflage, no lunching together. The crisis is at hand.

As the correspondent put it, the crisis was that Casey and Lyons were prepared to compromise but Menzies would agree to nothing short of what had been passed by parliament the June before. When the Lyons Government decided to seriously scale down the scope of the National Insurance legislation a day later, Menzies left the Cabinet room to dictate his letter of resignation to Lyons. On 15 March, the press reported that Menzies had resigned from Cabinet just as Hitler tore up the Munich Agreement and invaded Czechoslovakia.

Goodbye to all that

It was Paul Hasluck's belief that for the last six months of Lyons' life, those closest to him in Cabinet knew what the public did not – that Lyons had not long to live. Enid knew he needed to stop. Contrary to Allan Martin's *cherchez la femme* thesis (without any evidence) that Enid Lyons was an ambitious hand behind Lyons and wanted him to stay in the job as long as possible, in fact for more than a year the Lyons couple had been quietly planning their exit from Canberra and a return to Devonport. In 1938, the younger children had been taken back to Home Hill and enrolled at the local Catholic primary school; Sheila and young Enid were by now standing in for Enid at home when she needed to travel. Enid spent a considerable amount of 1938 renovating Home Hill in readiness for Joe and the family's return there. She had even purchased a special chair for Joe to sit in and rest, which she spoke of with great emotion in her National Library interview for the archives, recalling how she had returned home after Joe's death and broken down as she saw it.

Joe's letters to Enid in this last year are poignant, even tragic, considering it was just months before he would die. In May, Joe wrote, 'Looking back on my brief visit home makes me think of it as a brief glimpse of heaven. It was all very beautiful and wonderful Sweetheart! I wonder will the time ever come when we can count on a long period together.' He was dreaming of her in the days at Cooe, and lying in bed thinking of how he used to 'wake to see the photo' of her as 'Sophie [in *A Country Girl*] on the dressing table'. In another letter he wrote, 'I'm always longing for the time when, if God spares us, we can be together in our own beautiful home forgetting all the problems of politics.'

But the political patterns had imprinted themselves so indelibly over decades there was no let-up. Lyons had in a sense truly 'served'. He had not stood in the party room against rivals for the job of national political leader. He had been drafted into leadership as no other before or after him. He was quite literally the people's man. True, he had chosen it. But he had always sensed it was a service, a duty he had said yes to. And, in this, there had been a price to pay. His obliging and conciliatory manner allowed consensus to rule more than it should, the party not his but the creature of his colleagues. And by 1938, Lyons was allowing that consensus approach to dominate him rather than putting his own mark on government direction, as he had done more openly in earlier years. In the midst of such consensus, Earle Page had begun to dominate, certainly more than the leader of the minority party in a coalition should. By early 1939, this had alienated many UAP MPs. The tail was wagging the dog.

Writing years later in *Among the Carrion Crows*, Enid recalled how Lyons had not resented Menzies for his resignation. In fact, he believed that Menzies had shown a basic integrity in his move. In *So We Take Comfort*, Enid Lyons described in general terms without specific names the plotting and scheming the couple felt within the UAP throughout January of that year. By his return to Canberra in

early January 1939, after a refreshing Christmas holiday in Tasmania, Enid believed that 'Joe, who trusted everyone, came in the end in politics almost to trust no one.' Kevin Lyons, who would himself become a state politician, told Philip Hart that his father had said he could get on without Menzies. And that might have been so, had Lyons' health not taken him off stage so quickly soon after.

Ironically, not only did Menzies' resignation end much of the scheming, but events in Europe now brought reality to local anxiety over a possible war. In January, on a visit to Australia, renowned writer H G Wells gave vent to feelings of abhorrence against Mussolini and Hitler, calling Australia a 'half fascist nation' for supporting the Munich Agreement. Lyons, angered by Wells' outburst and believing it threatened the delicate hold on the European situation, in turn criticised Wells, and was congratulated by Australian writer Mary Gilmore for his 'sane and dignified and necessary rebuke to Mr H G Wells'.

By 15 March, however, the Munich Agreement was in tatters, with the *Sydney Morning Herald* reporting on 20 March that, in Birmingham, Chamberlain had told an audience two days after Germany's invasion of Czechoslovakia that his 'confidence in Herr Hitler's good faith had been shattered'. One offshoot of all this was that in Australia the political mood shifted to unity. The fractiousness in the UAP and among state premiers melted away. A common and well-defined enemy was now on the horizon. Petty differences should no longer be indulged. And a sped-up defence program offered spending the states had agitated for over years. In the weeks leading up to Easter, there was progress beyond any imagined in late 1938. The premiers met to discuss and come to agreement over Lyons' plan for national defence with the states' co-operation. Defence Minister Geoffrey Street had devised new plans for co-operative progress. Stevens spoke strongly for the plan. A new mood was under way.

But Lyons still wanted out, and who might fill his shoes was

by no means certain. Australia had welcomed 1939 bent under the impact of encroaching drought and record heat that soon brought the devastating bushfires of Black Friday to Victoria on 13 January. There were also serious fires in other southern states, with even the Lyons' property in Devonport threatened at its fence line. For all that, Lyons had enjoyed a relaxing two weeks over Christmas at Home Hill and returned to Canberra in better shape, albeit still desperate to find a suitable replacement. At this point, UAP operatives began negotiations to entice Stanley Bruce back into politics.

Australia's High Commissioner to the UK had returned home in late 1938, travelling about and giving talks on his favourite topic of appeasement. He then stayed on, at Lyons' request, into February and March. As Bruce told Cecil Edwards for *Bruce of Melbourne*, very early in the year the UAP's Sir Robert Knox and E H Willis had visited him to ask if he would return to politics and sort out the parliamentary UAP. Bruce saw the negatives and declined. Then he related to his biographer how Lyons had met him in Canberra soon after to plead with Bruce to take up the offer, putting it plainly that his health would not stand the strain much longer. Bruce had proposed a deal that Lyons had accepted – Lyons would go to the Governor-General and ask that he accept Bruce as a sort of inter-regnum Prime Minister while Bruce took three months to find a seat. That Lyons accepted this suggestion at the time shows not only desperation in the Prime Minister but also the persuasive ability, and ego, of the worldly Bruce. It was a bizarre and impossible idea – and one that Lyons told Bruce would not work when he returned with Casey the following day. Bruce attended a Cabinet meeting on 27 March but left Australia soon after.

Labor had sensed the demise of a tired government and Curtin demanded that parliament be recalled. Lyons reacted by proposing a national government. In one of his last radio broadcasts, speaking from Launceston in Tasmania on 23 March, Lyons urged that sectional interests be subordinated to the 'great and imperative question

of defence'. He went on, 'I would not hesitate to assist in bringing all parties together to form a National Cabinet.' Curtin's reply was rejection: 'Mr Lyons is flying a kite to save his Prime Ministership rather than to serve the country.'

Enid Lyons recorded how the couple spent their last weekend in Tasmania, two weeks before Easter. They had talked over Joe's future as they saw it. He must retire. Enid would write in her memoir: 'We made our decision. In Canberra he had done what he had set out to do so long ago, when depression was at its worst. There was prosperity now. Someone else could carry on.' Enid Lyons' grandson Peter Lyons recalled how his grandmother had told him of a last moment with Joe that she always treasured. They had watched a brilliant sunset over Bass Strait one evening, the stretch of water that had seen so many of their journeys, apart and together. And Joe had held Enid very tightly, so tightly it hurt, as if he could not let her go.

But the UAP would not let Joe go. When he and Enid met with Robert Knox and E H Willis the following weekend in Melbourne, the two men pressured Lyons so effectively that he agreed to stay on. So it was that on Wednesday 5 April, Lyons set off to Sydney by car with his driver Ray Tracey, who would recall his boss so very fondly a few days later in newspaper reports. They collected Kevin Lyons from St Patrick's College in Goulburn on the way, a familiar family arrangement for the Easter holidays. Enid had parted with Joe in Melbourne the day before, where they had been engaged at separate functions, and returned by boat to Devonport to prepare the house for the children coming home from boarding school for Easter. Joe and Kevin would fly home from Sydney after Lyons had opened Sydney's Easter agricultural show. But, in the car heading north from Goulburn, Lyons became very ill. On arrival in Sydney, he was rushed to St Vincent's Hospital. Enid first learned of Joe's condition in a phone call from Joe's good friend Tom Murray, taken at her sister's home in Burnie while she was waiting for one of her

daughters to drive her home to Devonport after she had arrived off the boat from Melbourne.

There was no time for Enid to return to the mainland by ferry as Joe was declining fast. The Broken Hill Co. made a plane available and Enid arrived in Melbourne that evening, too late for a flight to Sydney as Australia did not have night-landing facilities for aircraft in 1939. Enid took the night train to Sydney instead, sleepless and full of memories of her years with Joe travelling back and forth on that same rail line. In Sydney on Thursday, Enid found her husband barely able to speak, and lapsing in and out of consciousness. Within twenty-four hours, Lyons was in a coma and had declined beyond recovery.

By Friday morning, Lyons' doctors could not believe that he had struggled to survive the night. The air was clammy in a humid Sydney, the rustle of nursing sisters and nuns to be heard in the pen-sive quiet. One after the other, the older Lyons children had flown into Sydney to be with their parents. Ministers arrived one by one. Casey broke down in a side room; Page sat, grave with his medical understanding of Lyons' condition. Telephonists and staff took over space at the hospital to operate a temporary communications centre. Outside, newspapers and radio reflected the nation's shock and dismay. Lyons remained the people's hero, the leader ordinary folk could identify with. In his simple and mannerly lack of pretension, Lyons was every inch Australian.

At 11 am on Friday 7 April 1939, Good Friday, Deputy Prime Minister Earle Page announced to the nation that Joe Lyons, Prime Minister of Australia, had died.



Epilogue

No public figure in Australia has ever been mourned like Prime Minister Joe Lyons, the first Australian Prime Minister to die in office. His death shocked a nation at a time of growing anxiety about national security. Australia had lost a popular leader who stood for stability in the face of peril through its Depression years. He had inspired confidence in small and large ways and spoken directly to people's hearts. Radio broadcasts, newspapers, cinemas, pubs, family dinner tables, all were interrupted by the news of Joe Lyons' death. Even now, some older Australians remember how as children on Sydney beaches they had watched the destroyer carrying the Prime Minister's body make its way down the coast.

Condolence messages arrived from leaders around the world, cables from the Roosevelts, the Chamberlains, Mussolini, the Pope and royalty among them. London's pavement artists began drawing Lyons' portrait as soon as his death was announced. The *Sydney Sun* reported that the King and Queen mourned his passing as a close personal friend. The *New York Times* headlined its report 'The schoolteacher who beat the depression'; the *New York Herald Tribune* referred to Lyons as the prime minister 'who saved Australia from bankruptcy'. Sympathy messages crossed all political boundaries, from his colleagues in the UAP and Country Party to Labor's John Curtin and even Jack Lang.

Enid had collapsed into occasional states of semi-consciousness. She managed to attend two of the three public services held over subsequent days in Sydney, Melbourne and Devonport, but also spent considerable time in hospital. Governor-General Lord Gowrie, who was recommended by Lyons to succeed Sir Isaac Isaacs after 1935 and who had become a good friend to the Lyons couple, had stood in to open the Royal Easter Show on Good Friday just hours after Lyons' death. Newsreels showed a shaken and grave Richard Casey standing behind him. On Easter Monday in Sydney, Lyons' body lay in state at St Mary's Cathedral. In this Catholic enclave, thousands paid their respects to a man whose religion had dominated his sense of charity and generosity of spirit, but had never played an institutional role in his politics.

On Easter Tuesday, after a full requiem service, a cortege carrying the coffin snaked its way through Sydney streets lined with thousands of mourners (the greatest tribute, as one Fox Movietone news film expressed it), and on to the quay, where with full military and church honours it was loaded onto the destroyer *Vendetta* for the trip to Devonport. There, in another service, Lyons would be buried in his native Tasmania. In Lyons' home town, the cortege wound through streets lined with people who had come miles to farewell their Tasmanian Prime Minister. At the church, lines of Australian diggers, standing to attention in their slouch hats, watched the coffin arrive and depart the church. Lyons was then buried in the grounds of the Catholic church of Our Lady of Lourdes. Former Labor colleagues John Curtin and Albert Ogilvie were among the pallbearers in Devonport. There could be 'no politics in death', Ogilvie had declared. In 1969, Lyons' remains would be removed to the Mersey Vale Memorial Park Lawn Cemetery where Enid would be buried with him after her death in September 1981.

Lyons had left an estate worth just £344. Home Hill had always been in Enid's name. Their large family had taken most of what they had earned over years. As well, as Enid Lyons would write much

Epilogue

later, Joe was a generous soul who was always parting with money about his electorate or to others less fortunate. Just days before he died, Lyons had made out a cheque for £60 to give to a Leongatha farmer to buy cattle. 'He's a trier,' the Prime Minister had said, 'he is entitled to his chance of a real start.'

MPs had no superannuation in 1939. Enid believed she could earn her own living from writing and broadcasting. In November 1938, Joe's former minder Irvine Douglas, who had gone to the *Sydney Morning Herald*, had approached Enid with an offer of a weekly column. She was slow to accept in the anxious circumstances of the time; in the wake of Joe's death she was in no state to take on a writing commitment. Many in the government felt they could not leave a Prime Minister's widow with so many dependent children to live in penury. After a bitter debate in parliament, Enid Lyons was awarded a life annuity for herself (which she refused while earning as an MP) and another for her children while at school. A few years later, after entering parliament in 1943 as the first woman to sit in the House of Representatives, Enid Lyons would argue vigorously in the party room for her colleagues to allow the parliament to pass legislation that would award Elsie Curtin a similar annuity after the death of Prime Minister John Curtin. She would witness the passing of that legislation with tears in her eyes at the thought that she had saved Elsie Curtin from the acrimony she herself had survived in 1939 over the annuities voted to her as Joe Lyons' widow, and to their children.

The abrupt and dramatic loss of Lyons from politics reverberated on the UAP. As Deputy Prime Minister, Earle Page was immediately sworn in as a caretaker prime minister, there being still no deputy leader of the UAP following Menzies' sudden resignation. In the scramble for leader, Casey and Page urgently asked Bruce to consider returning. He agreed, but only as an Independent leading a national government, a proposal that was quite unacceptable to the political parties involved. Casey, having backed a Bruce return,

had no hope himself of prevailing over others. Eventually, by an extremely narrow margin, Menzies won against Billy Hughes, with the Country Party refusing to co-operate. Page and his animosity to Menzies led the Country Party to split and Page to resign as leader a few months later. In March 1940, the UAP and the Country Party healed their differences, and the CP rejoined the Cabinet, with Menzies appointing Page as Minister for Commerce later that year.

But the Menzies Government would fail to win a majority at the polls in September 1940 and be forced into minority government with the support of two Independents. In August 1941, Menzies was forced to resign and was replaced as Prime Minister by Country Party leader Arthur Fadden. In October, the Country Party–UAP coalition lost the support of the House, leaving John Curtin to take a renewed Labor Party into government. Meanwhile, Richard Casey had accepted Menzies' offer to become Australia's first Ambassador to Washington in early 1940, a post that Lyons had long pushed for and informed London of just days before his death.

The United Australia Party would not survive opposition. Revamped under Menzies as the Liberal Party of Australia before the 1946 election, the UAP would go into history as the political party of a particular moment, a coalition of forces created out of financial crisis and never more than a pragmatic political arrangement. Consequently, it has left Joe Lyons with no place to call home in Australian politics, save the country he led. Lyons' daughter Rosemary captured her father's unassuming legacy many years later in a few lines:

For entertaining high was not his height
Nor even was when raised there by fate
No! a simple fire lit his mind
A generous charity was stamped upon his speech
A homely grace lent liking to his wit
And ageless verity did guide his seeking feet

Epilogue

In 1976, Enid Lyons showed a foresight not at the time matched by Australia's heritage groups. After selling Home Hill to the Devonport City Council, she made plans to leave the bulk of the family possessions for a Home Hill Museum, dedicated to the legacy of Joe Lyons, Prime Minister of Australia. Today, this Lyons Museum stands modestly on a hill outside Devonport overlooking Bass Strait, surrounded by homes belonging to the sort of ordinary Australians Joe Lyons knew well. An appropriate legacy for the people's Prime Minister.



Select bibliography

Author's note

This biography has been produced without footnotes, a format used by historian Patrick O'Farrell in *The Catholic Church and Community in Australia: A History* and Robert Murray in *The Split: Australian Labor in the Fifties*. Paul Kelly in *The End of Certainty* also made minimal use of footnotes and used none for his large number of oral and primary sources. In this biography of Prime Minister Joe Lyons, sources for quotes are given in the text. Internet search engines now make it possible to view many of these online. In addition, I have kept digital copies of most of the original documents.

Books, journal articles and theses

- Alexander, Alison (ed) *Companion to Tasmanian History* (Centre for Tasmanian Historical Studies, 2005)
Andrews, E M, *Isolationism and Appeasement in Australia* (ANU Press, 1970)
Appleyard, R T & Schedvin, C B, *Australian Financiers: Biographical Essays* (Reserve Bank of Australia, 1988)
Bird, David S, *J A Lyons – The 'Tame Tasmanian': Appeasement and Rearmament in Australia, 1932–39* (Australian Scholarly Publishing, 2008)
Blainey, Geoffrey, *The Peaks of Lyell* (Melbourne University Press, 1967)
Bogdanor, Vernon, *The Monarchy and the Constitution* (Clarendon Press, 1995)

Select bibliography

- Brett, Judith, *Australian Liberals and the Moral Middle Class* (Cambridge University Press, 2003)
- Bridge, C, Bongiorno, F & Lee, D, *The High Commissioners* (Commonwealth of Australia, 2010)
- Butlin, S J & Schedvin, C B, *War Economy 1942–1945* (Australian War Memorial, Canberra, 1977)
- Calwell, Arthur, *Be Just and Fear Not* (Lloyd O'Neill, 1972)
- Campion, Edmund, *Australian Catholics* (Viking, 1987)
- Casey, Richard, *Double or Quit* (Cheshire, 1949)
- Casey, Richard, *Friends and Neighbours* (Cheshire, 1954)
- Casey, Richard, *The World We Live In* (Specialty Press, 1933)
- Cavalier, Rodney, *Power Crisis: The Self-Destruction of a State Labor Party* (Cambridge University Press, 2010)
- Clark, Colin & Crawford, J G, *The National Income of Australia* (Angus & Robertson, 1938)
- Childe, V. Gordon, *How Labor Governs* (Melbourne University Press, 1964)
- Coleman, William, *Giblin's Platoon* (ANU E Press, 2006)
- Cook, Peter, 'Frank Anstey: Memoirs of the Scullin Labor Government, 1929–1932', *Historical Studies*, vol. 18, no. 72, 1979
- Cooksey, Robert, *Lang and Socialism: A Study in the Great Depression* (ANU Press, 1971)
- Copland, D B, *Australia in the World Crisis, 1929–1933* (Cambridge University Press, 1934)
- Copland, D B, *What Have the Banks Done? An Essay on Banking Policy* (Angus & Robertson, 1931)
- Coward, Dan, 'Crime and Punishment', in *Strikes: Studies in Twentieth Century Australian Social History* (Angus & Robertson/Australian Society for the Study of Labour History, 1973)
- Cowan, Zelman, *Sir John Latham and Other Papers* (Oxford University Press, 1965)
- Crisp, L F, *Ben Chifley* (Longmans, 1963)
- Cumpston, I M, *Lord Bruce of Melbourne* (Longman Cheshire, 1989)
- Cumming, Grahame, *Freemasonry: Australia's Prime Ministers*, Booklet 2 (Masonic Historical Society of New South Wales, 1994)
- Curran, James, *Curtin's Empire* (Cambridge University Press, 2011)
- Davis, Richard, *Eighty Years Labor: The ALP in Tasmania, 1903–1933* (Sassafras Books/University of Tasmania, 1983)
- Davis, Richard, *State Aid and Tasmanian Politics, 1868–1920* (University of Tasmania, 1969)
- Davis, Richard, 'Tasmania', in D J Murphy (ed), *Labor in Politics: The State Labor Parties in Australia 1880–1920* (University of Queensland Press, 1975)
- Day, David, *Andrew Fisher: Prime Minister of Australia* (Fourth Estate, 2008)
- Day, David, *Chifley* (HarperCollins, 2001)
- Day, David, *John Curtin: A Life* (HarperCollins, 1999)
- Denholm, Michael, 'The Lyons Tasmanian Labor Government 1923–1928', *Tasmanian Historical Research Association: Papers and Proceedings*, June 1977.
- Denholm, Michael, *A Study in Achievement: The Lyons Tasmanian Labor*

- Government 1923–28 and the Career of Joseph Lyons, Honours thesis (University of Tasmania, 1973)
- Denning, Warren, *Caucus Crisis: The Rise and Fall of the Scullin Government* (Hale & Iremonger, 1982)
- Dixon, Miriam, 'Stubborn Resistance: The Northern New South Wales Miners' Lockout of 1929–30' in *Strikes: Studies in Twentieth Century Australian Social History* (Angus & Robertson/Australian Society for the Study of Labour History, 1973)
- Donaldson, Frances, *Edward VIII: A Biography of the Duke of Windsor* (J B Lipincott Company, 1975)
- Dutton, David, *Reputations: Neville Chamberlain* (Arnold Publishers, 2001)
- Drummond, Ian, *Imperial Economic Policy 1917–1939: Studies in Expansion and Protection* (George Allen & Unwin, 1974)
- Edwards, Cecil, *Bruce of Melbourne* (Heinemann London, 1965)
- Edwards, Peter (ed), *Australia Through American Eyes, 1935–1945: Observations by American Diplomats* (University of Queensland Press, 1979)
- Edwards, Peter, 'The Rise and Fall of the High Commissioner: S M Bruce in London, 1933–45', in A F Madden & W H Morris-Jones (eds), *Australia and Britain: Studies in a Changing Relationship* (Sydney University Press, 1980)
- Edwards, Peter, *Prime Ministers and Diplomats: The Making of Australian Foreign Policy 1901–1949* (Oxford University Press, 1983)
- Ellis, Ulrich, *A History of the Australian Country Party* (Melbourne University Press, 1963)
- Fadden, Artie, *They Call Me Artie: The Memoirs of Sir Artie Fadden* (Jacaranda Press, 1969)
- Fairbanks, George, 'Australia and the Abdication Crisis, 1936', *Australian Outlook* (now *Journal of International Affairs*), vol. 20, no. 3, 1966
- Faulkner, John & Macintyre, Stuart (eds), *True Believers: The Story of the Federal Parliamentary Labor Party* (Allen & Unwin, 2001)
- Feiling, Keith, *The Life of Neville Chamberlain* (Macmillan, 1946)
- Fenton, James, *Bush Life in Tasmania* (Mary Fisher Bookshop, 1980)
- Fitzgerald, Ross, 'Red Ted': *The Life of E G Theodore* (University of Queensland Press 1994)
- Fitzhardinge, L F, *The Little Digger, 1914–1952* (Angus & Robertson, 1979)
- Glezer, Leon, *Tariff Politics: Australian Policy-making 1960–1980* (Melbourne University Press, 1982)
- Graham, B D, *The Formation of the Australian Country Parties* (ANU Press, 1966)
- Grattan, Michelle, *Australian Prime Ministers* (New Holland, 2000)
- Green, Alan & Sparkes, Gordon, 'A Macro Interpretation of Recovery: Australia and Canada', in R G Gregory and N G Butlin (eds), *Recovery from the Depression* (Cambridge University Press, 1988)
- Green, Frank, *Servant of the House* (Heinemann, 1969)
- Green, Frank, *A Century of Responsible Government, 1856–1956* (Government Printer, Tasmania, 1956)
- Green, Frank 'Giblin in Politics and War', in Douglas Copland (ed), *The Scholar and the Man* (F W Cheshire, 1960)
- Griffin-Foley, Bridget, *Changing Stations: The Story of Australian Commercial Radio*

Select bibliography

- (UNSW Press, 2009)
- Gruen, David & Clark, Colin, 'What Have We Learnt? The Great Depression in Australia from the Perspective of Today', 19th Annual Colin Clark Memorial Lecture, Brisbane, 11 November 2009, <www.treasury.gov.au/documents/1689/PDF/03_Colin_Clark_speech.pdf>
- Hancock, Keith, *Australia* (Ernest Benn Ltd, 1930)
- Hart, Philip R, J A Lyons: A Political Biography, PhD thesis (Australian National University, 1967)
- Hart, Philip R, 'J A Lyons: Tasmanian Labour Leader', *Labour History*, no. 9, November 1965
- Hart, Philip R, 'Lyons: Labor Minister – Leader of the UAP', *Labour History*, no. 17, October 1970; also published in R Cooksey (ed), *The Great Depression in Australia* (Australian Society for the Study of Labour History, Canberra, 1970)
- Hart, Philip R, 'The Piper and the Tune', in Cameron Hazelhurst (ed), *Australian Conservatism: Essays in Twentieth Century Political History* (ANU Press, 1979)
- Hartley Grattan, C, *Australia* (University of California Press, 1947)
- Hasluck, Paul, *The Government and the People 1939–1941* (Australian War Memorial, 1952)
- Hasluck, Paul, *Light That Time Has Made* (National Library of Australia, 1995)
- Hawkins, John, 'Ted Theodore: The Proto-Keynesian', in *Economic Roundup*, no. 1, 2010
- Hazlehurst, Cameron, *Menzies Observed* (George Allen & Unwin, 1979)
- Henderson, Anne, *Enid Lyons: Leading Lady to a Nation* (Pluto Press 2008)
- Henderson, Anne, 'Joseph Lyons – A Prime Minister for Modern Times', *The Sydney Papers*, vol. 20, no. 4, 2008
- Henderson, Gerard, *Australian Answers* (Random House, 1990)
- Heydon, Peter, *Quiet Decision: A Study of George Foster Pearce* (Melbourne University Press, 1965)
- Hogan, Michael, *The Sectarian Strand* (Penguin, 1987)
- Hobson, J A, *Imperialism: A Study* (Ann Arbor, 1978)
- Hooker, Nancy Harvison, *The Moffat Papers* (Harvard University Press, 1956)
- HRH, The Duke of Windsor, *A King's Story: The Memoirs of HRH The Duke of Windsor* (Cassell & Co, 1951)
- Hudson, W J, *Casey* (OUP, 1986)
- Hughes, Aneurin, *Billy Hughes: Prime Minister and Controversial Founding Father of the Australian Labor Party* (John Wiley, 2005)
- Hughes, Colin, *Mr Prime Minister: Australian Prime Ministers 1901–1972* (OUP, 1976)
- Hughes, Colin & Graham, B D, *A Handbook of Australian Government and Politics: 1890–1964* (ANU Press, 1968)
- Hughes, Colin & Graham, B D, *Voting for the Australian House of Representatives 1901–1964* (ANU Press, 1974)
- Hughes, W M, *Australia and the World Today* (Angus and Robertson, 1935)
- Hull, Cordell, *The Memoirs of Cordell Hull*, vols I & II (Hodder & Stoughton, 1948)
- Inglis, Ken, *This is the ABC* (Black Inc, 2006)

- J B Were & Son, *The House of Were, 1839–1954: The History of J B Were & Son, and its Founder, Jonathan Binns Were* (J B Were & Son, 1954)
- Kelly, Paul, *The End of Certainty* (Allen & Unwin, 1992)
- Lake, Marilyn, *A Divided Society: Tasmania During World War I* (Melbourne University Press, 1975)
- La Nauze, J A, *Alfred Deakin: A Biography*, vol. 2 (Melbourne University Press, 1965)
- Lee, David, *Stanley Melbourne Bruce: Australian Internationalist* (Continuum, 2010)
- Lentin, Antony, *Lloyd George and the Lost Peace: From Versailles to Hitler, 1919–1940* (Palgrave Macmillan, 2001)
- Love, Peter, 'Niemeyer's Australian Diary', *Historical Studies*, vol. 20, no. 79, 1982
- Love, Peter, *Labour and the Money Power* (Melbourne University Press, 1984)
- Love, Peter, 'Frank Anstey and the Monetary Radicals' in R T Appleyard & C B Schedvin (eds), *Australian Financiers: Biographical Essays* (Reserve Bank of Australia, 1988)
- Luscombe, T R, *Builders and Crusaders* (Lansdowne Press, 1967)
- Lyons, Brendan, *They Loved Him to Death* (self-published, 2009)
- Lyons, Enid, *So We Take Comfort* (Heinemann, 1965)
- Lyons, Enid, *Among The Carrion Crows* (Rigby, 1972)
- Lyons, Enid, *The Old Haggis* (Heinemann, 1969)
- Lyons, Enid, *My Life* (Woman's Day, 1950)
- McCarthy, 'Unions and the United Australia Party: New South Wales, 1932–39', *Labour History*, no. 20, May 1971
- McCarthy, John, *Australia and Imperial Defence 1918–39: A Study in Air and Sea Power* (University of Queensland Press 1976)
- MacDonogh, Giles, *1938: Hitler's Gamble* (Constable, 2010)
- McFarlane, Bruce, *Professor Irvine's Economics in Australian Labour History, 1913–1933* (Australian Society for the Study of Labour History, 1966)
- Macintyre, Stuart, *The Oxford History of Australia Volume 4, 1901–1942* (Oxford University Press, 1990)
- Macintyre, Stuart, *A Concise History of Australia* (Cambridge University Press, 2000)
- Macklin, Graham, *Chamberlain* (Haus Publishing, 2006)
- McLachlan, A J, *McLachlan: An FAQ Australian* (Lothian, 1948)
- Mansergh, Nicholas, *The Commonwealth Experience* (Weidenfeld & Nicholson, 1969)
- Martin, Allan W, *Robert Menzies: A Life, Volume 1 1894–1943* (Melbourne University Press, 1993)
- Mathews, Race, *Australia's First Fabians: Middle-Class Radicals, Labour Activists and the Early Labour Movement* (Cambridge University Press, 1993)
- Matthews, Trevor, 'The All For Australia League', *Labour History*, no. 17, October 1969
- Meaney, Neville, *Fears and Phobias: E L Piesse and the Problem of Japan, 1909–39*, National Library of Australia Occasional Papers Series, no. 1, 1996
- Menzies, Robert, *The Measure of the Years* (Coronet Books, 1972)
- Menzies, Robert, *Afternoon Light* (Cassell Australia, 1967)

Select bibliography

- Middlemas, Keith & Barnes, John, *Baldwin: A Biography* (Weidenfeld & Nicholson, 1969)
- Millmow, Alex, *The Power of Economic Ideas* (ANU E Press, 2010)
- Moore, Andrew, *Francis De Groot: Irish Fascist Australian Legend* (The Federation Press, 2005)
- Moyal, Ann, 'Politicians and Appeasement in Australia', paper delivered to the Independent Scholars Association of Australia Conference, October 2008
- Murphy, D J, *Labor in Politics: The State Labor Parties in Australia, 1880–1920* (University of Queensland Press, 1975)
- Murphy, Kate, 'The Lyons Government, the Legislative Council and the "One House Bill"', *Tasmanian Historical Studies*, vol. 8, no. 1, 2002
- Murray, Robert, *The Confident Years: Australia in the Twenties* (Allen Lane, 1978)
- Nairn, Bede, *The 'Big Fella': Jack Lang and the Australian Labor Party 1891–1949* (Melbourne University Press, 1986)
- Neale, R G, *Documents on Australian Foreign Policy 1937–49* (AGPS, 1975)
- Nethercote, J R, *Liberalism and the Australian Federation* (The Federation Press, 2001)
- Nyman, Lois, *The Lyne Family History* (self-published, 1976)
- Olson, Lynne, *Troublesome Young Men* (Farrar, Straus and Giroux, 2007)
- Page, Earle, *Truant Surgeon* (Angus & Robertson, 1963)
- Perkins, Kevin, *Menzies: Last of the Queen's Men* (Rigby, 1968)
- Phillips, Derek, *Making More Adequate Provision: State Education in Tasmania, 1839–1985* (Education Department of Tasmania, 1985)
- Pink, Kerry, *And Wealth for Toil: A History of North-West and Western Tasmania, 1825–1900* (Advocate Marketing Services, 1990)
- Pink, Kerry & Ebdon, Annette, *Beyond The Ramparts: A Bicentennial History of Circular Head* (Mercury-Walch, 1988)
- Pithouse, Horace Bond, 'Reminiscences of the Late Prime Minister', *Tasmanian Ancestry* 2004
- Plumptre, A F W, 'Review of *Australia in the World Crisis 1929–33* by D B Copland', *Economic Journal*, vol. 45, 1935
- Radi, Heather & Spearitt, Peter (eds), *Jack Lang* (Hale & Iremonger, 1977)
- Reid, Arthur, *Those Were the Days* (Hesperian Press, 1986)
- Reid, Richard & Kelson, Brendon, *Sinners, Saints and Settlers: A Journey Through Irish Australia* (National Museum of Australia Press, 2010)
- Reynolds, John, *Launceston: History of an Australian City* (Macmillan/Adult Education Board Tasmania, 1969)
- Richardson, Nick, 'Sir Keith Murdoch's Relationship with Prime Minister Joseph Lyons', public lecture for the National Archives of Australia, 5 May 2006, <http://www.naa.gov.au/images/richardson_tcm2-4998.pdf>
- Robertson, John, *J H Scullin: A Political Biography* (University of Western Australia Press, 1974)
- Robson, Lloyd, *A History of Tasmania*, vol. 2 (Oxford University Press, 1990)
- Robson, Lloyd & Roe, Michael, *A Short History of Tasmania* (Oxford University Press, 1997)
- Roe, Michael, *Albert Ogilvie and Stymie Gaba: World-Wise Tasmanians* (Parliament of Tasmania, 2008)

- Ross, Andrew, *Armed and Ready* (Turton & Armstrong, 1995)
- Sawer, Geoffrey, *Australian Federal Politics and the Law 1929–1949* (Melbourne University Press, 1963)
- Shann, E O G, *An Economic History of Australia* (Cambridge, 1948)
- Shann, E O G & Copland, D B, *The Battle of the Plans* (Angus & Robertson, 1931)
- Shann, E O G & Copland, D B (eds), *Crisis in Australian Finance 1929 to 1931: Documents on Budgetary and Economic Policy* (Angus & Robertson, 1931)
- Shedvin, C B, *Australia and the Great Depression* (Sydney University Press, 1970)
- Shlaes, Amity, *The Forgotten Man* (Harper Perennial, 2008)
- Sissons, D C S, 'Manchester V Japan', *Australian Outlook*, December 1976
- Starr, Graeme, *The Liberal Party of Australia: A Documentary History* (Drummond/Heinemann, 1980)
- Stevens, B S B, 'J A Lyons', *Australian Quarterly*, vol. 2, no. 2, 1939
- Tiernan, Anne & Weller, Patrick, *Learning to be a Minister: Heroic Expectations and Practical Realities* (Melbourne University Press, 2010)
- Townsley, W A, *The Government of Tasmania* (University of Queensland Press, 1976)
- Turnell, Sean, 'F L McDougall: Eminence Grise of Australian Economic Diplomacy', *Australian Economic History Review*, vol. 40, no. 1, 2000
- Turner, Naomi, *Catholics in Australia* (CollinsDove, 1992)
- Vamplew, Wray (ed), *Australians, Historical Statistics* (Fairfax, Syme & Weldon Associates, 1987)
- Walker, E Ronald, *Australia in the World Depression* (P S King & Son Ltd, 1933)
- Walker, H & Oughton, W O (eds), *Ulverstone – Centenary Celebrations Souvenir 1852–1952* (Ulverstone Council, 1952)
- Watt, Alan, *The Evolution of Australian Foreign Policy, 1938–1965* (Cambridge University Press, 1967)
- Weller, Patrick, *Cabinet Government in Australia, 1901–2006* (UNSW Press, 2007)
- Weller, Patrick, *Caucus Minutes, 1901–1949: Minutes of the Meetings of the Federal Parliamentary Labor Party* (Melbourne University Press, 1975)
- Weller, Patrick, 'Tasmania' in P Loveday, A W Martin & R S Parker (eds), *The Emergence of the Australian Party System* (Hale & Iremonger 1977)
- Weller, Patrick & Lloyd, Beverley (eds), *Federal Executive Minutes, 1915–1955: Minutes of the Meetings of the Federal Executive of the Australian Labor Party* (Melbourne University Press, 1978)
- White, Kate, *A Political Love Story: Joe and Enid Lyons* (Penguin, 1987)
- Williams, John, *John Latham and the Conservative Recovery from Defeat, 1929–1931* (APSA, 1969)
- Young, Irwin, *Theodore: His Life and Times* (Alpha Books, 1971)
- Younger, R M, *Keith Murdoch: Founder of a Media Empire* (HarperCollins, 2003)
- Zwar, Desmond, *In Search of Keith Murdoch* (Macmillan, 1980)

Documents, personal papers, media

A guide to the archives, personal papers, interviews and screen media relating to Prime Minister Joseph Lyons was compiled by Susan Marsden for the National Archives of Australia in 2002. This guide offers references to all Lyons-related sources held in libraries and archives in Australia. It can be found online at <www.naa.gov.au/naaresources/publications/research_guides/pdf/joseph_lyons/joseph_lyons.pdf>, and in print as *Joseph Lyons: Guide to Archives of Australia's Prime Ministers* (National Archives of Australia, 2002).

The most significant personal papers (apart from those of Joe and Enid Lyons) at the National Library of Australia that relate to the life of Joseph Lyons are those of E D Bagot, J P Brigden, R G Casey, D B Copland, L F Crisp, I R Irvine, L Dumas, C Edwards, L F Giblin, H Gullett, A Guy, P Hart, C Hawker, C Hughes, W M Hughes, J Latham, R G Menzies, K Murdoch, E Page, A Parkhill, F H Stewart, E G Theodore and T W White. Mel Pratt's interviews for the NLA with Irvine Douglas and Joseph Alexander are also most valuable. Other sources are listed below.

Archives of Tasmania, records relating to J A Lyons as employee of the Tasmanian Education Department and as state Labor MP, <<http://primeministers.naa.gov.au/findrecords/lyons/archivesofficeoftasmania.aspx>>

Australian Dictionary of Biography, <<http://adbonline.anu.edu.au/adbonline.htm>>
Batt, Neil L C, personal, ministerial and political papers, Archives of Tasmania, NG603 Neil Batt

Chamberlain, Neville, personal papers held at University of Birmingham, Special Collections Department (Cadbury Research Library)

Lyons, Joseph, personal papers held at the National Library of Australia, MS 4851

Lyons, Enid, personal papers held at the National Library of Australia, MS 4852

Parliamentary Library of Tasmania, records of the proceedings of the Tasmanian parliament before the Tasmanian Hansard commenced in 1979, and all other Tasmanian parliamentary papers and proceedings

Pratt, Ambrose, personal papers held at the State Library of Victoria

Pratt, Mel, interview with Dame Enid Lyons for the Australian National Library collection (1972)

Ricketson, Staniforth, diaries 1930–33, held at the Goldman Sachs Library, Collins Street, Melbourne

Ricketson, Staniforth, personal papers in the State Library of Victoria

White, Kate, personal papers held in the archives of the Baillieu Library, University of Melbourne

National Film and Sound Archive, Canberra

There are many films of the Lyons couple and the Lyons government, 1932–1939. Of particular interest are:

‘Mister Prime Minister’, ABC documentary, 1966, AVC021548

Prime Minister and Mrs Lyons’ world trip, 1935, filmed by Jack Swanson,
AVC005974

PM J A Lyons visits UK for Jubilee, AVD005341

United Australia Party: Joseph Lyons’ Speech, AVC006629

The Prime Minister laid to rest in his home state, 15 April 1939, AVC007082

Nation Unites in Mourning for the Prime Minister, Movietone News, title no.
116561

CD archives

Cyclopedia of Tasmania 1900 (Gould Genealogy)

Jubilee History of Tasmania (Gould Genealogy)

Tasmanian Cyclopedia 1931 (Gould Genealogy)

Hull, Hugh H, *Experience of Forty Years in Tasmania* (Gould Genealogy)

Tasmanian Post Office Directory (Wise’s) 1903 (Archive CD Books)

Tasmanian Post Office Directory (Wise’s) 1917 (Archive CD Books)

Tasmanian Post Office Directory (Wise’s) 1923 (Archive CD Books)



Acknowledgments

Joseph Lyons: The People's Prime Minister makes the case that Prime Minister Joseph Lyons has not been given his rightful place in Australia's history. In writing this biography, I have revisited the debates over economic policy during the Depression years between 1929 and the early 1930s. I am grateful to Dr John Kunkel for agreeing to read, comment and advise on the drafts of the manuscript that cover this period, and for providing valuable perspectives on Australia's handling of its successful recovery, which outpaced recovery in most of the western world.

This book has been a long time coming and many individuals have helped in its research. I am particularly grateful to members of the Lyons family, in particular the children of Joseph and Enid Lyons who gave me interviews: Kathleen Gordon (nee Lyons), the late Brendan Lyons, Barry Lyons, Peter Lyons and Janice Wootton (nee Lyons). In addition, over years, Peter Lyons provided much help and support in compiling information on the Lyons' family history, along with photographs and frank insights.

Mary Pridmore, daughter of the late Rosemary McGrath (nee Lyons), contributed valuable information on the Lyons legacy and the museum at Home Hill. Mary also offered local knowledge and contacts that proved invaluable in collecting details of Joe Lyons' early adult life. It was Mary Pridmore's contact with Bill Bailey, a

descendant of Pearl Bailey, that uncovered rare information about Joe Lyons' life before he entered politics. With the assistance of Bill Bailey's sister-in-law Jeanne Bailey, I was able to piece together a comprehensive picture of Joe Lyons' friendship with the Bailey family. Mary Pridmore also introduced me to Rodney Croome, who provided valuable reflections on northern Tasmania and the sectarian divide. Michael Griffin's recall of Joe Lyons' friendship with his father Gavin added similarly pertinent colour. Dame Elizabeth Murdoch, who knew Joe Lyons, and Heather Henderson (nee Menzies) gave valuable perspectives on the 1930s and the background to Canberra politics. Hazel Craig gave detailed accounts of what it was like to work as a parliamentary secretary and typist in the PM's office, along with many reflections on life in Canberra during the 1930s. I am grateful to former prime minister John Howard for making it possible for me to visit the Lodge during his prime ministership, and get a feeling for the house and grounds.

Peter Lyons (jnr), in Britain, not only added close knowledge of his grandmother Enid, but offered insightful contributions throughout my research. Peter Lyons' efforts to conserve the legacy of his grandparents, Joe and Enid Lyons, is indicative of a generational revival of interest in the Lyons couple and their place in Australian history. In 2011, Peter Lyons' gift to the Tasmanian Museum and Art Gallery of his grandfather Joe Lyons' golf fob watch – given to Lyons by his friend Richard Bennett, the Canadian Prime Minister – is notable in this, as are the recent investments by the Tasmanian state government and the National Trust in new building works at the Lyons family home museum, Home Hill, in Devonport, and the appointment of Ann Teasdale as property manager. I am especially grateful to Ann Teasdale for locating and copying many of the photographs used in this book. Work on the Lyons cottage at Stanley by Tasmania's Parks and Wildlife Service has also injected new life into the site of Joe Lyons' birthplace and early life.

In researching my biography of Enid Lyons – *Enid Lyons: Leading*

Acknowledgments

Lady to a Nation – I uncovered many details of Lyons family life from interviews with Joe Lyons' nieces Carmel and Lynette, and Marion Paul, daughter of Nellie Burnell. Likewise, Ross Glover and Charmaine Brown, members of the extended Taggett family, provided valuable information relating to Enid Lyons' mother, Eliza Burnell.

For details of Joe Lyons' primary education in Ulverstone, I am grateful to Craig Broadfield and the Ulverstone History Museum. Jennie Chapman of Tasmanian Genealogy Services assisted with land title searches for property acquisitions by the Lyons family in Stanley and Ulverstone, along with details of family history for the Bailey and Walch families.

I am grateful to Philip Hart for our exchange of emails, for advice in relation to the Staniforth Ricketson diaries, and for his general reflections on the seminal work he did for the Lyons history. Alex Millmow was helpful in locating the Ricketson diaries and I am thankful that Paul Murnane, member of the Board of The Sydney Institute, was able to help me gain access to these diaries, held at the library of Goldman Sachs & Partners Australia Pty Ltd in Melbourne. The assistance of librarian Lyn Richards during my visit there was also appreciated. Tasmanian historian Richard Davis and former Tasmanian Labor MP Neil Batt were generous with their time in phone calls to clear up small details, and Kate White was similarly generous, allowing me to check details in her papers held at the Baillieu Library at the University of Melbourne.

I am also grateful to Erica Davis for information and documents relating to the Lyons home at 67 Pedder Street, New Town in Hobart and to Faye Gardham at the Devonport Maritime Museum for access to the museum's Lyons collection. Pam Bartlett, at Home Hill before 2010, was generous in showing me around. I am also grateful to Wade Laube, photographic editor at the *Sydney Morning Herald*, who gave me access to a file of unseen pictures from the Lyons years, and to his assistant Aimee Majurinen for her work in reproducing many for the book.

Researchers spend inordinate amounts of time in the reading rooms of libraries and archives. I have very much appreciated the generosity and friendly assistance of librarians at many reading rooms – among them the National Library of Australia, the National Archives of Australia, the National Film and Sound Archive, the State Library of New South Wales, the State Library of Tasmania, the State Library of Victoria, the Cadbury Research Library – University of Birmingham, Morris Miller Library – University of Tasmania, Baillieu Library – University of Melbourne, and the Public Library of New York.

Back at base, a hardworking team at The Sydney Institute assisted throughout. For technical assistance, a special thanks to Viren Nathoo. Likewise, my thanks to Lalita Mathias for transcript typing and general patience. Over some years, Lalita Mathias was assisted by Tanya Goldberg, Alice Grundy, Tenille Halliday, Este Regos, Raffie Gold and Anya Poukchanski. Thanks also to Veronica Henderson for comments and proofreading in the latter stages. As ever, last but by no means least, Gerard Henderson made over his vast library of Australian history books and pamphlets, read the final draft, commented and gave vital historical perspectives. He also allowed me space to get on with it. Former co-editor and fellow biographer, Professor Ross Fitzgerald, was instrumental in urging me to find a publisher. David Henderson, at London's 10 Downing Street, was especially helpful in gaining permission to use the photo from the Imperial Conference 1937.

At NewSouth Publishing, Phillipa McGuinness directed energetically and was fun to work with, Emma Driver patiently fielded style and final editing with good humour, Chantal Gibbs and Di Quick made photographs and covers easy, and Kathy Bail sent positive encouragement. Thanks also to Sue Harvey in Melbourne.

As a postscript, I would like to thank historian David Day. I happened to meet David in the National Library when I was researching *Enid Lyons: Leading Lady to a Nation*. We discussed how

Acknowledgments

there was no biography of Prime Minister Joe Lyons, even though David had just published a large volume on Prime Minister Andrew Fisher and had earlier completed biographies of prime ministers John Curtin and Ben Chifley. David then suggested I should finish the job and write the big Lyons story. Thanks David – I now have.



Index

Note: 'JL' refers to Joseph Lyons and 'Enid' to Enid Lyons, nee Burnell. Activities they carried out as a couple are identified as 'Lyons's', e.g. 'Lyons's Jubilee trip'.

- A Country Girl* 88–9
- A Plan for Economic Adjustment* 231
- ABC radio 335
- abdication crisis 382–8
- Abyssinia, invasion by Italy 365–6, 381–2, 403–5
- achondroplasia 182–3
- acknowledgments 446–50
- agriculture, *see* primary industries
- Alexander, Alison 21
- Alexander, Joe 257–8
- Alfred Marshall Lectures 197, 312, 314–15
- All for Australia Day 240
- All for Australia League 260–3, 265–8
- All for Australia Movement 6, 272
- Allardyce, William 150, 155
- Allen, George 45
- Allison, Norm 89, 98
- Amalgamated Wireless Australia 334–5, 338
- amplifiers 338
- Andrews, E M 359
- Anstey, Frank
 - believes JL 'driven out' 353
 - economic policies 235
 - election campaign brawl 283
 - opposes conscription 111
 - opposes Lyons economic policies 227
 - socialist views 208–10
- anti-German hostility in WWI 108
- anti-inflationary policy 7–8, *see also* economic policies
- anti-Semitism
 - and economic theories 209–10
 - in Australia 389
 - in Nazi Germany 365, 412
 - of Jack Lang 223–4
- anti-socialist parties 64
- appeasement policy 397, 402–3
- Appropriation Bill 1924–25: 160–1
- Apslawn School, Tasmania 29–30, 33
- Apsley Meadows, Tasmania 29–30, 33
- Arbitration Court 167, 175–6, 187, 345
- Archer, John Lee Jnr (JL's uncle) 14
- Archer, Mary Ann, *see* Lyons, Mary Ann
- Argentina, trade disputes with 365
- Argyle, Stanley 240
- Astor, Nancy 364
- Attard, Bernard 327
- Attorney-General portfolio 155–6, 324
- Australia, *see also* trade policies
 - anti-Japanese sentiment 362
 - currency devaluation 231

Index

- dominion status 390
- Great Depression in 197–9, 218–26, 393
- growth under Lyons 6, 316–17
- mourning for JL 429–31
- overseas debts of 2, 313
- position in WWI 112
- recognises Italian Abyssinia 403–5
- recovery from depression 310, 312–31
- refugee policy 419–20
- stagnation in 1920s 142
- supports Munich Agreement 425
- Australia–Japan Wireless Service 361
- Australian Communist Party 134–5
- Australian Eastern Mission 357–60
- Australian High Commission, London 223, 300–1, 326–7, *see also* Bruce, Stanley Melbourne
- Australian Labor Party, *see* Federal ALP; Tasmanian ALP
- Australian National Airways 337
- Australian National Federation 271
- ‘Australian Settlement’ 307
- Australian Tariff Board 365
- Australian Worker* 125
- Australian Workers Union 69
- Austria, absorption by Nazi Germany 405–6
- Bagot, Alex 264, 268, 272, 319
- Bail, Kathy 449
- Bailey, Bill 36–7, 39, 446–7
- Bailey, Fay 38
- Bailey, Ferdinand 35–6
- Bailey, Frances 36
- Bailey, Jeanne 38, 447
- Bailey, John 36
- Bailey, Lillian 41
- Bailey, Pearl ‘Pib’ 35–41, 91, 447
- Baillieu, Clive 413
- Baillieu, William 225
- Baker, Frank 382
- Baldwin, Stanley 375, 377, 384–7
- Balfour, Tasmania 28–9
- Ballieu, Mr 361
- Bank of England, concerned at Australian debt 221, 223
- banking policy, *see* economic policies
- Barclay, Aubrey 264
- Barker, Geoffrey 314
- Bartlett, Pam 448
- Barton, Edmund 33
- Basic Wage Commission 142
- Bass (Tasmanian electorate) 64, 191, 346
- Batt, Neil 448
- Bavin, Tom 226, 228, 240
- Bavin NSW Nationalist government 206
- Baynton, Barbara 298
- Beasley, Jack
 - challenges Scullin for leadership 253
 - crosses floor of Parliament 280
 - enters Federal parliament 188
 - image used in 1937 campaign 401
 - opposes Lyons economic policies 227
 - opposes Niemeyer policy 233
- Beaverbrook, Lord 403
- Becker, George 80, 85
- Bell, George 132
- Belton, James
 - appeals for unity 137
 - at JL’s wedding 95
 - at Ventnor boarding-house 80
 - at Waddamana opening 143, 146
 - delays financial report 102
 - election campaigns 63
 - in Cabinet 153
 - Ogilvie undermines 180
- Benes, Edvard 406
- Bennett, Gordon 260
- Bennett, Richard 364, 394, 447
- Beulah, Tasmania 58
- bilateral free trade agreements 278
- Bird, David
 - on Defence policies 303, 395, 398
 - on Japanese trade relations 357, 377
 - on JL’s diplomacy 369
 - on meetings with Mussolini 405
- Bismarck, Tasmania 108
- Black River, Tasmania 15
- Blackburn, Maurice 138
- Blainey, Geoffrey 29
- Blyth, Ernest 143, 150, 164
- Board of Education, Tasmania, *see* Tasmanian Department of Education
- Boland, John 145–6
- Bond, Frank 128
- Bowler, John 80
- Breheny, Bridget (JL’s great-aunt) 16
- Breheny, John (JL’s great-uncle) 16
- Breheny, Patrick (JL’s cousin) 16
- Brennan, Tom 343, 413
- Brigden, Jim 175, 230–2

Joseph Lyons

- British Commonwealth of Nations 307
- Broadcasting Bill 322
- Broadfield, Craig 448
- Brockett, A J 42
- Broinowski, Leo 164
- Brown, Charmaine 448
- Brown, Tulla 413
- Bruce, Ethel 367
- Bruce, Stanley Melbourne
 - as assistant Treasurer 305
 - at Ottawa Conference 307
 - background of 297
 - becomes Nationalist PM 149
 - cartoon of 304
 - diplomatic role of 359
 - in abdication crisis 384–5
 - in Lyons Ministry 290–1
 - loses seat 2
 - moves to UK 300–1
 - on Chamberlain 397
 - on JL 286
 - on media 330
 - on Tasmanian disadvantage 167
 - organises JL's Jubilee trip 367–8
 - requests Australia take refugees 419
 - resides at Lodge 341
 - return to politics proposed 319, 349, 351–2, 413, 426, 431–2
 - roles under Lyons 326–7
 - views on Tasmania 156–7
- Bruce Nationalist Government 2
- Bruce Wallace Report 305, 316
- Bruce–Page Federal Coalition
 - government, *see also* Bruce, Stanley Melbourne; Page, Earle
 - collapse of 190
 - financial policies 198, 207
 - formation of 149
 - loses popularity 186
 - Murdoch critical of 244
- Bulletin, The* 291–2
- Burke, Bridget (JL's grandmother) 14–17, 66
- Burnell, Bert 120
- Burnell, Eliza (Enid's mother)
 - as recruiting officer 109
 - cares for grandchildren 191
 - nominates for Darwin 168
 - prepares Enid for Catholic marriage 94–5
 - queries JL's intentions 88–9
 - visits Parliament 76, 81–2
- Burnell, Enid, *see* Lyons, Enid (Burnell)
- Burnell, Nellie (Enid's sister) 76, 83, 85–6, 98, 350
- Burnell, William (Enid's father) 81–4, 89–90, 92–3
- Burnell family 81–4, 110–11
- bushfires 99, 426
- Butlin, S J 2, 6
- by-elections
 - Dalley, 1927: 188
 - Denison, 1914: 81
 - East Sydney, 1931: 249
 - Franklin, 1929: 211
 - Gwydir, 1937: 400
 - Parkes, 1931: 245–8
- Cadogan, Alexander 395–6
- Cameron, Donald 81
- Campbell, Eric 6, 301–2
- Canada
 - Lyons's Jubilee trip to 370, 394
 - trade relations with 318, 376–7
- Canberra 184, 194–5, 342
- Carr, Thomas Joseph 124
- Carroll, Catherine (JL's grandmother) 13
- Carroll, Dennis (JL's great-uncle) 13
- Carroll, Ellen (JL's mother) 13, 23, 71–2, 80
- Carroll, Etty (JL's aunt) 13, 22–5
- Carroll, John (JL's grandfather) 13
- Carroll, Mary (JL's aunt) 13, 22–5
- Carson, Lord 379
- Cartland, Ronald 402
- cartoons
 - 'End of Session' 376
 - in *Bulletin* 292
 - MPs as film stars 304
 - of Lyons 196, 279, 310, 361, 422
- Casey, Richard
 - as Ambassador to Washington 432
 - as Federal Treasurer 287, 352, 398–9, 412
 - at JL's deathbed 428
 - at JL's funeral 430
 - calls for sanctions against Italy 382
 - dislikes Canberra 342
 - JL's relations with 298
 - National Insurance Scheme 421
 - on Bruce 327
 - on Stevens 320

Index

- sponsors Kevin Lyons through school 298
- urges Bruce to return 348–9, 351, 431–2
- Catholic Church, *see also* sectarianism
 - education system 42–3, 74, 124, 131
 - Enid's conversion to 92–6
 - JL's marriage and 90
 - Labor aligned with 115
 - Labor policy on 122–7
 - links to Ireland 12–13, 379
 - parliamentary leaders in 280–1
- Catholic Federation 74, 131
- Catholic Knights of the Southern Cross (US) 129
- Catholic Press* 130, 335
- Catholic Worker* 354
- Cavalier, Rodney 3
- Chamberlain, Anne 404, 407, 416
- Chamberlain, Neville
 - appeasement policy 403–4, 425
 - as UK Chancellor 328, 331
 - condolence message 429
 - defence policies 397, 402–3
 - on Pacific Pact 396
- Chapman, Jennie 448
- Charlton, Michael 157, 187–8
- Chifley, Ben 188, 215, 353
- China, Japanese invasion of 396, 420
- Churchill, Winston 381, 388, 402–3
- citizens' groups
 - Citizens Committee 246
 - Citizens Leagues 262, 264–9
 - financial support from 334
 - influence of 6
- Clarke, Marcus 15
- Clipper, The* 53–5, 69
- Closer Settlement program 73
- Coastal News, The* 21
- Coleman, William
 - as economic advisor 230–1
 - on Bruce Wallace Report 316
 - on economic reform 305
 - on Niemeyer visit 222
 - on Premiers' Plan 313–14
 - on public service 286–7
- Colonial Stock Act* (UK) 203
- Commerce portfolio, *see* trade policies
- Commercial Bank of Victoria 27
- commodity prices 142, 198, 316, 372, *see also* primary industries
- Commonwealth Advisory Council
 - proposed 243
- Commonwealth Bank
 - amalgamations with 5
 - Cabinet pressure on 219, 239
 - cuts loan size 321
 - in economic crisis 199–204
 - in financial crisis 275
 - Scullin administration policy 233–5
 - Tasmania borrows from 99, 103–4
- Commonwealth Bank Act Amending Bill (Cth) 220
- Commonwealth Court of Arbitration and Conciliation 167, 175–6, 187, 345
- Commonwealth Grants Commission 329
- Commonwealth Loan Council 198
- Commonwealth Loan Fund 238–40, 255–6
- Commonwealth Public Service Act 1933*: 287
- Commonwealth Treasury Bill 223
- Commonwealth–State relations, *see also* Premiers' Conferences
 - economic policies 276–7
 - enquiries into 175–7
 - industrial relations policy 189
 - Tasmanian disadvantage 101–2, 154–7
 - WA separatist movements 343–4
- communications 332–3, 361, *see also* media; Postmaster-General portfolio
- compulsory voting 148, 181
- Conara, Tasmania 33–4
- Conciliation and Arbitration Bill (Cth) 187
- condolence messages on JL's death 429
- conferences, *see also* Premiers' Conferences; Tasmanian ALP Conferences
 - All-Australian Trades Union Congress 136–8
 - ALP Special Conference, 1930: 222
 - Australian National Federation, 1931: 271
 - citizens' groups, 1931: 266
 - Federal Labor, 1906: 69
 - Federal Labor, 1921: 138
 - Imperial Conference, London 1926: 203
 - Imperial Conference, London 1937: 394–8
 - Imperial Economic Conference, 1932: 307–9

Joseph Lyons

- Industrial Peace Conference, 1929: 188
- Inter-State Labor, 1916: 114–15
- Inter-State Labor, 1924: 186
- Loan Council meeting, 1931: 246
- Munich, 1938: 407–8
- National Federation 277
- Political Labor Conference, Victoria 124
- Recruiting Conference, 1918: 116–17
- Workers' Political League, Tasmania, 1913: 86
- conscription
 - conservatives promote 104
 - in 1937 campaign 401
 - JL opposed to 410
 - plebiscites on 112–13, 115–16
 - splits Labor parties 105–18
- Constitution Act* (Tas) 161
- Constitution Amendment Bill 1926 (Tas) 162–3
- Constitutional Club, Menzies speech to 415–17
- Cooee Beach, Tasmania 89
- Cook, Joseph 70, 368
- Cooksey, Robert 210
- Cooper, Duff 402, 408
- Copland, Douglas
 - Alfred Marshall Lectures 312, 314–15
 - industrial relations policy 306–7
 - on Australian economy 142
 - on economic crisis 199, 202–4
 - on protectionism 197
 - recovery plans 230
- Coronation Commission 383
- Cosgrove, Robert 135–6
- Couchman, May 273
- Council of Churches, supports loan conversion 240
- Country Girl, A* 88–9
- Country Party
 - coalition with 148–9, 347–8, 432
 - divisions in 400
 - in Tasmania 140, 148, 171
 - opposes National Insurance scheme 421
 - protectionist policies 372
 - reaction to Lyons campaign 267–8
 - relations with UAP 283, 288–91
 - rise of 142–3
 - UAP offers coalition to 308, 322–3
 - women's organisations 273
- Coward, Dan 134
- Cowen, Zelman 293
- Crafts, Nicholas 313
- Craig, Hazel 288, 447
- Crawford, R H 46
- Crisp, L F 264–5, 294, 353
- Crofts, Charles 335
- Croome, Rodney 127, 447
- Culley, Charles 216
- Cumpston, I M 351, 384–5
- Cunningham, Edward 261
- Cunningham, Father 25
- Cunningham, Lou 227, 256
- Curtin, Elsie 431
- Curtin, John
 - adopts Statute of Westminster 380
 - as Opposition leader 400–1
 - at JL's funeral 430
 - attacks League of Nations 382
 - attacks non-English-speaking settlers 419–20
 - becomes PM 432
 - condolence message from 429
 - effects of stress on 389
 - enters Federal parliament 188
 - links to Lang Labor 400
 - no-confidence motion by 411–12
 - NSW MPs support 227
 - on abdication crisis 388
 - on Loan Council 235
 - on Western Australia 344
 - on women 62–3
 - pays respects to King George VI 381
- Curtis, Harry 177
- Czechoslovakia 406–8, 412
- Dalley, John 260
- Daly, John 227
- Darwin (Tasmanian electorate) 64, 132, 168
- Davidson, Alfred 'A C' 220, 232, 415
- Davis, Erica 448
- Davis, Richard
 - acknowledgments 448
 - on JL's dominance 175
 - on JL's early years 48–9
 - on Labor's failure in Tasmania 106–7
 - on post-war lethargy 132
 - on risks of activism 58
 - on Tasmanian Labor 148

Index

- Day, David 449–50
De Groot, Francis 302
De Valera, Eamonn 386
Deakin, Alfred 70, 72
Deakin Federal Liberal (Fusion)
 government 70, 72
debating societies, *see* discussion groups
Debt Conversion Agreement Acts 314
Debuchi, Katsuji 358
Defence Acts (Cth) 109
defence policies
 conscription 69–70
 growth due to 317
 in approach to WWII 395
 links with UK 380
 national government proposed 426–7
 rearmament programs 398
 trade links and 359
 under Lyons 303–5, 400–1, 410–11, 425
Deloraine, Tasmania, Lyons house in 120
‘deloraining’ 169
Denholm, Michael 180–1, 216
Denison (Tasmanian State electorate)
 by-election, 1914: 81
 Enid nominates for 168
 Giblin wins 101
 Labor vote disrupted 181
Denning, Warren 233, 237
Depression of 1929–31:, *see* Great Depression
Dethridge, George 335
Devonport, Tasmania
 land purchase in 92
 Lyons homes in 105, 120–1, 178, 213
Disadvantage Committee Report 175–6
discussion groups 44–5, 47–8
Dixon, Miriam 208
Donaldson, Frances 383, 385–6
Douglas, Adye 27
Douglas, Irvine
 as JL’s ‘minder’ 288
 Jubilee UK trip 363
 offers Enid weekly column 431
 on JL’s being taken for the PM 339
 on JL’s flying experiences 337
 on JL’s relations with media 330
 on JL’s use of alcohol 352–3
Driver, Emma 449
droughts 26–7, 99, 426
Drummond, Ian 365
Duke and Duchess of Gloucester 340–1, 348–50
Duke and Duchess of York 178
Dumas, Lloyd 242–5, 263, 267
Duncan, Walter 417
Dutton, David 403
Dwyer-Gray, James 69, 122, 128, 135–6, 252
Dyason, Edward 230–1
Earle, John
 as Tasmanian Labor leader 76
 as Tasmanian Premier 66–7, 81, 97
 at Premiers’ Conference 103
 death of 299
 election campaigns 63
 in discussion group 48
 JL replaces as Labor leader 113–14
 moves to Federal politics 185
 resigns from Labor 114, 252
 socialist views 60, 70–1
 stands as Nationalist 115
 supports conscription 110
Earle Tasmanian Labor government
 defence policies 104
 hampered by Legislative Council 96
 hydro-electric projects 102–3
 imports wheat 99
 JL’s positions in 87
 weaknesses in 106–7
East Sydney (NSW Federal seat) 249
Ebdon, Annette 28–9
economic policies, *see also* protectionism;
 trade policies
 banking policy 201–2
 caucus revolts over 216–17
 effect of defaulting on debt 313
 in Tasmania 139–40, 147–8, 150, 153, 157–8
 JL disagrees with Scullin 7–8
 JL’s interest in 73
 Nationalists negotiate with JL 262
 recovery plan 230–2
 role in split with Labor 249–50
 under Lyons 180, 299, 310, 366
 under Scullin 187, 197–9, 202, 218–26, 231–3
 United Australia Party 277–8, 282
Economy Board Report (Tas) 143–4, 147–8
Eden, Anthony 396, 402–3

Joseph Lyons

- Education Act 1885* (Tas) 25
education policies, *see also* Catholic
education system; Tasmanian
Department of Education
in Tasmania 23–4, 41–6, 48–9
reform of 65–6
state secondary schools 126
tertiary education 286–7
under Lyons 87, 108
Edward VIII, King 377, 382–8
Edwards, Cecil 286, 307, 327, 385, 426
Edwards, Frank 163
Edwards, John 18
Edwards, Norman 51
Edwards, Peter 359, 368
Eggleston, F W 264–5
elections, *see* Federal elections; State
elections
Electrolytic Zinc Company 144
Elizabeth, Queen Consort 408, 429
Elkington, J S C 48
Emergency Committee Party 283
Emily Hotel, Stanley 16
Emmett, Skelton 28
Empire Party 260
equal pay for women, JL's support for 58
Evans, John 43, 52, 60, 64–5, 81
Evatt, H V 245
Ewing, Norman 96, 101–2, 126
External Affairs portfolio, *see* foreign
policy; trade policies
Factories Act (Tas) 73
Fadden Coalition Government 432
Fairbanks, George 384, 387–8
Faith in Australia 337–8
'Far East', *see* South-East Asia
Federal ALP, *see also* Scullin Labor
Government
broadcasting licences 335
defence policies 410
during Lyons era 334
education policies 287
isolationist policies 401
JL's resignation from 237–58
loses Catholic bloc 281
loses Parkes by-election 248
pacifist leanings 392
socialist views 134–5
Special Conference, 1930: 222
split by conscription issue 3, 105–18
wins 1910 election 70
Federal elections
1910: Labor victory 70
1919: Nationalist victory 132
1922: Hughes loses majority 148, 188
1925: Labor losses 175, 188
1928: Labor gains 2, 183, 187–8
1929: Labor wins office 189–92
1931: UAP wins office 1, 281–83
1934: UAP minority/Coalition govern-
ment 337, 346–7, 410
1937: UAP wins third term 293–4,
399–402, 409–10
1940: Coalition minority government
432
federalism, *see* Commonwealth–State
relations
Federation 27, 68–9
'federation trifecta' 307
Fenton, Jim
as acting PM 215, 217, 227, 238
as Postmaster General 291
background of 297
disagreements with Cabinet 322
faces caucus revolt 235
leaves Labor Party with JL 3, 253
Niemeyer on 225–6
on Melbourne Agreement 224
on Niemeyer visit 222–3
rebellion against 255
resigns from Ministry 307–8
stands for UAP in Maribyrnong 282
Ferguson, Mungo 116
fiduciary note legislation 253
Financial Agreement Act 1932 (Cth)
301–2
Financial Agreement Enforcement Act
1932 (Cth) 301–2
financial policies, *see* economic policies
Financial Relief Bill 318
Fisher, Andrew
as High Commissioner 368
JL's dinner with 96
replaced as PM by Hughes 108–9
supports conscription 69
supports UK war effort 97–8
Fisher Federal Labor Government 70, 104
Fitzgerald, Ross 235, 449
Fitzhardinge, L F 27, 69, 116, 189
Flinders (Victorian Federal seat) 3
floods in Tasmania 155

Index

- Flynn, Errol 100, 156
Flynn, Theodore 100, 156
foreign policy 303–5, 367, *see also*
 defence policies; trade policies
Forster, Henry William 144
France, opposition to Nazi Germany 391
Frankland river, Tasmania 28
Franklin (Tasmanian Federal electorate)
 211
Franklin (Tasmanian State electorate)
 136, 140, 181
Franklin, John 24
Fraser, Allan 333
Frater, Penny 298
free trade, *see* protectionism
freemasonry 296
Fulton, Mr 177
Fysh, Wilmot Hudson 337
- Gabb, Moses 253, 269, 283
Game, Philip 301–2
Gardham, Faye 448
George V, King 362–70, 378, 381
George VI, King 394, 429
Gepp, Henry 156, 169
Gepp, Herbert 353, 358–60
Germany 108, 392, 402–8, *see also* Hitler,
 Adolf
Gibbons, George 227, 233–4, 247, 274
Gibbs, Chantal 449
Giblin, Lyndhurst
 as adviser to PM 286, 315
 as adviser to Premier 152
 as Commonwealth Statistician 305
 assesses Tasmanian crisis 158
 economic advice from 7, 101–2
 fails first bid for election 64
 JL meets and befriends 47
 Niemeyer on 225
 on Bruce Wallace committee report
 305, 316
 on Premiers' Plan 313
 on Tasmanian Disadvantage com-
 mittee 175
 recovery plans 230–1
 socialist views 60, 70–1, 107
Gibson, James 15, 272
Gibson, Robert
 Anstey's views of 209–10
 as Commonwealth Bank chairman
 201–4, 218–19, 235
 attacks on 217
 holds to Melbourne Agreement 227–8
 on economic crisis 199–200
 on Lang proposals 248
 relations with Theodore 275
 role in loan conversion scheme 239
Gillespie, Mr 58
Gilmore, Mary 425
Glen Dhu State School, Tasmania 50, 56
Glendyne, Lord 241, 327–8
Gloucester, Duke and Duchess of 340–1,
 348–50
Glover, Hubert 350
Glover, Marion 339
Glover, Nellie, *see* Burnell, Nellie
Glover, Ross 448
Glover, Tom 304
Glover, Trevor 339
Gold, Raffé 449
gold shipments to UK 218
gold standard 202
Goldberg, Tanya 449
Gordon, Kathleen, *see* Lyons, Kathleen
Government House, Tasmania 155–6
Governor-Generals
 ceremonial role 342
 Henry William Forster 144
 Isaac Isaacs 9, 280, 299
 Lord Gowrie 430
 Mungo Ferguson 116
 Zelman Cowen 293
Governors of Tasmania
 Herbert Nicholls (acting) 150–2
 James O'Grady 163, 166–7
 moves to abolish 139, 166
 William Allardyce 150, 155
Gowrie, Lord 430
Graham, B D 149
Grant, Charles 164
Great Depression
 in Australia 1–2, 197–9, 218–26,
 230–2
 recovery from 310, 312–31
 trade relations during 393
Great Lake Hydro Scheme 102–3
Green, Alan 317
Green, Albert 'Texas' 235–6
Green, Frank
 faces caucus revolt 235–6
 helps JL with accommodation 100
 on Giblin 101

Joseph Lyons

- on JL's resignation from Labor 7–8, 205, 237, 326, 353
- on Propsting administration 43, 60
- on sectarianism 130–1
- on Tasmanian politics 53
- Griffin, Gavin 296, 447
- Griffin, Michael 296, 447
- Griffin-Foley, Bridget 334
- Groom, Littleton 189
- Grosvenor, Marj 288
- Group of Six
 - based around Savage Club 241–2
 - declining influence of 303, 354
 - in UAP formation 267, 271–2
 - negotiations with JL 250–3, 262
 - support for Scullin 246
- Grundy, Alice 449
- Gullett, Henry
 - as journalist 297–8
 - asks JL to step down 418
 - at Ottawa conference 307
 - defence policies 412–13
 - health problems 308, 374–5
 - Jubilee UK trip 363
 - on coalition with Country Party 289–90, 322–3
 - on national debt 327
 - trade policies 362, 369, 373, 377
- Guy, Allan
 - as acting Premier 177
 - as deputy leader 175
 - as Tasmanian minister 153
 - background of 297
 - JL's children and 350
 - joins Federal Ministry 308
 - leaves Labor Party with JL 252–4
 - loses seat 346
 - move to Federal politics 190–1
 - on JL's split with Labor 250
 - returns to Tasmania with JL 261
- Guy, Jas 54, 63
- Gwydir by-election 400
- Halifax, Lord 405
- Halliday, Tenille 449
- Halligan, Marj 294
- Hancock, Keith 142
- Hankey, Donald 380
- Hankey, Maurice 348–9, 367, 380
- Hardinge, Alexander 384
- Hare–Clark electoral system 53, 56, 59, 69
- Hart, Philip
 - acknowledgments 448
 - on changes in UAP 353–4
 - on conscription issue 114
 - on economic crisis 157–8
 - on Gullett's trade negotiations 377
 - on JL's influences 71
 - on JL's political involvement 47
 - on JL's 'socialism' 59
 - on JL's teaching career 29
 - on Menzies resignation 425
 - on Nationalist negotiations with JL 262
 - on new party negotiations 269
 - on post-war socialism 135
 - on split with Labor 252–3
 - on US relations 393
- Harvester Judgement 72, 142, 176
- Harvey, Ernest 219, 221
- Harvey, Sue 449
- Hasluck, Paul 393, 418
- Hawker, Charles
 - background of 297–8
 - death in plane crash 417
 - in Lyons Ministry 291
 - on Japanese trade 377
 - resigns from Ministry 307–8
- Hay, C H 302
- Hay, Snowdon 169
- Hayes, John Blythe 143, 157
- Hayes Tasmanian Nationalist government 157, 169
- Hays, Herbert 157
- health policies 72, 124–5
- Heaton, Herbert 108
- Henderson, David 449
- Henderson, Gerard 307, 449
- Henderson, Heather 447
- Henderson, Kingsley 241–2, 246, 296, 354, *see also* Group of Six
- Henderson, Veronica 449
- Hertzog, James Barry Munnik 364
- Heydon, Peter 293–4
- Higgins, John 241, *see also* Group of Six
- High Commission, *see* Australian High Commission, London
- Highfield 12
- Hill, Lionel 276
- Hitler, Adolf 364, 388, 392, 419
- Hobart, Tasmania 141–2, 152

Index

- Hobart Mercury*
anti-Catholicism 107, 127–9
critical of Nationalists 146–8
education policies 49
inquiry into labour relations 67
on Legislative Council 161–2
support for Lyons administration 161–3
- Hodgson, W R 367
- Hogan, Michael 115, 123, 126–7, 281
- Hogan, Ned 276
- Holman, William 133
- Holmes, Mr 50–1
- Home Hill (Lyons house) 106, 178, 212, 423, 430–1, 433
- Hopetoun, Lord 33
- Hotel Canberra, Scullin resides at 194
- House of Representatives (Federal)
JL returns to as UAP leader 274
JL's performance in 286
Ottawa Agreement debate 308–9
Royal Commission into Tasmanian disadvantage 158
'Want of Confidence' motion 253
- Howard, John 447
- Howe, Louis McHenry 392–3
- Howroyd, Charles 110, 114
- Hudson, W J 298, 351, 421
- Hughes, Billy
anti-Catholicism 131
as PM 96, 108–9, 399
cartoon of 304
in Lyons Ministry 290
JL's relations with 96, 112, 317
leaves Labor Party 3, 115, 208
Nationalist government of 133
on abdication crisis 388
on trade with Japan 358
recruitment drives by 297, 410–11
resigns as PM 186
resigns from UAP ministry 404
runs for UAP leadership 432
supports conscription 69, 418
Tasmanian tour 111
US visit 392
votes against Bruce budget 189
- Hughes, Colin 286, 353
- Hughes Federal Nationalist government 148, 372
- Hull, Cordell 370–1, 391
- Hull, Hugh 23–4
- hydro-electric projects 102–3, 139, 143–4, 177, 180
- immigration policies 27–8
- Imperial Communications Advisory Committee 361
- Imperial Conferences, *see* conferences
- Imperial Migration Scheme 169, 195
- Imperial Preference Scheme 278, 358
- Indigenous peoples in Tasmania 32
- industrial action
coal strikes 198–9, 412
during 1920s 186–9
general strikes 133–4
shipping strike 167
under Scullin 208
waterside workers' strike 420–1
- Industrial Peace Conference 188
- industrial relations policy
Harvester Judgement 72
in NSW 133–4
JL supports equal pay for women 58
rigidity of 142
shipping strike 167
under Bruce 188–9
under Lyons 179–80
- industrialists, control over ALP 3
- inflation, *see* economic policies
- Inoue, Consul-General 362
- Inter-dominion Reciprocity 262
- International Workers of the World 111–12, 134
- Ireland 12–13, 107, 129, 379
- Irish Town, Tasmania 29
- Irish–Ireland league 130–1
- iron ore exports 420–1
- Irvine, Bob 234
- Isaacs, Isaac 9, 280, 299
- Italy 381–2, 403–5, *see also* Mussolini, Benito
- J B Were and Son 239–40, 250–1
- James, Rowland 'Rowley' 198–9, 280
- Japan
anti-Japanese sentiment 362
attacks China 396, 420
boycotts Australian wool 376–7
diplomatic relations with 303–5, 362
resigns from League of Nations 364
trade relations with 318, 357–8, 360, 373–4

Joseph Lyons

- Jensen, Jens 64, 143, 162
 Jerome, Jerome K 92
 Joyce, Aloysius 83–4
 Jubilee celebrations in UK 362–70, 378, 380–1
- Kean, Martin 57, 61–4
 Kelly, Paul 241, 307
 Keynes, John Maynard 201, 203, 313
 Kingsford-Smith, Charles 259, 337
 Knox, Robert 246, 272–3, 426–7
 Kunkel, John 446
Kyeema crash 417
- la Nauze, J A 72
 Labor, *see* Federal ALP; names of Labor administrations; Tasmanian ALP
 labour movement, early history 27
 Lacey, Sheila, *see* Lyons, Sheila
 Lake, Marilyn 98, 107–8
 land ownership policy 73
 Lane, Harry 105, 182
 Lang, Cosmo 364
 Lang, Jack, *see also* New South Wales
 anti-Semitism 223–4
 at Premiers' Conference 276–7
 becomes NSW Premier 226
 cartoon of 304
 condolence message from 429
 conspiracy theories held by 210, 220
 destabilises Scullin government 249
 dismissed as Premier 302
 Dwyer-Gray supports 136
 election campaigns 228
 Federal Labor congratulates 232
 impact on Federal Labor 3–5, 227, 242, 280, 298–305
 jeopardises economic recovery 327–8
 letters to JL 247–8
 NSW Labor under 246, 334
 NSW support for 206, 216
 repudiates NSW debts 301
 response to Depression 5, 249, 261
- Latham, John
 advises JL to take break 293
 as acting PM 343
 as External Affairs minister 357
 Asian trade visit 358–60
 at Premiers' Conference 276, 314
 background of 297
 effects of stress on 328
- Gullett's advice to 322–3
 in Lyons Ministry 288–91
 JL's debates with 207
 JL's relations with 282, 348, 350–1
 leadership negotiations with 250, 261, 273–4
 Murdoch on 263
 proposes Commonwealth Advisory Council 243
 retirement of 324
 steps aside for JL 267–9, 274
 supports loan conversion 240
- Laube, Wade 448
 Launceston High School 97
 Lawson, Harry 273
 Lazzarini, Hubert 233
 League of Nations 321, 359, 364, 402
 Lee, David 327
 Lee, Walter H
 as deputy Opposition leader 102
 as Tasmanian Premier 96, 123, 130, 143–4
 attacks JL 138–9
 resigns as Premier 151
 wife of snubbed 164
- Lee Tasmanian Nationalist government 139–40, 143–52
 Legislative Council, Tasmania
 blocks Labor policies 96, 104, 179
 conservatism of 87
 elections for 127–8
 franchise for limited 147
 moves to abolish 139
 need for reform 152
 opposition from 97
 under Lyons administration 159–63
- Lenehan, Eileen 288
 letters
 between Lang and JL 247–8
 Casey on Bruce 327
 Casey to JL 320
 Enid to Anne Chamberlain 416
 JL to Enid 85, 294–5, 351, 409, 424
 JL to Menzies 325
 Murdoch to Dumas 242–4
 Murdoch to Lyons 334
- Leven Inn 18
 Lewis, Neil Elliott 64–5, 101, 175
 Liberal Party of Australia 64, 271, 432
 'liberals', early history of 60
 Lindsay, Ronald 371

Index

- 'Liquor Bar' Referendum (Tas) 107
- Llanglooh (Bailey home) 38
- Llewellyn, Tasmania 33–5
- loan conversion scheme 238–40, 255–6
- Loan Council 234–5, 247–8, 301, 320
- Lockyer, Nicholas 176
- Lodge in Canberra 194, 341–2
- London, Jack 92, 125
- Long, James 52, 58, 124
- Love, Peter 209, 218–20, 224–5
- Loy, Mr 50
- Loyalty League (Tas) 130–1
- Lyne, Carmichael 33, 43
- Lyne, John 32
- Lyne, Sarah 31–2
- Lyne, William 31–4
- Lyons (Tasmanian electorate), *see* Wilmot
- Lyons, Adeline, *see* Lyons, Catherine 'Adeline'
- Lyons, Augustin 'Arden' (JL's brother) 17–19, 59
- Lyons, Barry (JL's son) 182–3, 185, 340, 350, 446
- Lyons, Brendan (JL's son)
 - acknowledgments 446
 - birth of 178
 - Casey plays billiards with 350
 - media interest in 340
 - on grandfather's gambling 20
 - on JL's business ventures 182
 - on JL's teaching 44, 46
 - on the Lodge 342
 - on von Bibra incident 75–6
- Lyons, Bridget, *see* Burke, Bridget
- Lyons, Carmel (JL's niece) 367, 448
- Lyons, Catherine 'Adeline' (JL's sister)
 - birth of 17
 - friends with Eliza Burnell 78
 - moves to New Zealand 80
 - returns to Tasmania 145–6
 - starts school 19
 - works to support family 21
- Lyons, Charlotte (JL's aunt) 14, 16
- Lyons, Desmond, *see* Lyons, Gerald 'Desmond'
- Lyons, Ellen Carroll (JL's mother) 13, 23, 71–2, 80
- Lyons, Elwin (JL's brother) 17–19, 21, 80
- Lyons, Enid (Burnell)
 - ambitions of 294
 - annuity for 431
 - burial of 430
 - cares for convalescing JL 177
 - children of 114, 120–1, 145–6, 172–4, 178, 191, 211–12, 294, 328, 339–40, 423
 - courtship and marriage 77–96
 - domestic strength of 295–6
 - early recollections 82
 - effects of stress on 178, 184–5
 - enters Federal parliament 431
 - establishes museum 433
 - first speeches 121
 - illnesses and hospitalisations 168, 337, 349
 - in new party campaign 263, 266–7
 - in UAP election campaign 282
 - JL's attachment to 294
 - JL's engagement to 85–92
 - JL's praise for 183
 - Jubilee trip diary 367–8
 - knowledge of JL's early life 40–1
 - meets King and Queen 380–1
 - memoirs by 215
 - miscarriages 100, 105, 174
 - nominates for Denison 168
 - paternity of queried 82–3
 - retirement plans for JL 423
 - role in split with Labor 251–2
 - second pregnancy 106
 - socialist views 135
 - support for JL 236
 - use of media by 340–1
 - views of early Labor 134–5
 - visits to Parliament 86
- Lyons, Enid (JL's daughter) 120, 423
- Lyons, Frances Letitia 'Gert' (JL's sister) 17, 80, 95
- Lyons, Garnet Philip Burnell (JL's son) 173–4
- Lyons, Gerald 'Desmond' (JL's son) 114, 212, 339–40
- Lyons, Janice (JL's daughter) 211–12, 328, 339–40, 446
- Lyons, Joseph Aloysius, *see also* letters
 - appointed Privy Councillor 381
 - as acting Federal treasurer 207, 314–15
 - as Opposition leader 141–53, 182–92
 - as Postmaster General 2, 194–7, 204, 206–8, 216
 - as President of WPL 71

Joseph Lyons

- as Prime Minister 284–311, 332–55, 399–400
- as printer's messenger 21
- as Tasmanian backbencher 105
- as Tasmanian Labor leader 119–40
- as Tasmanian Premier 152–82, 216
- as Tasmanian Treasurer 99–102
- asked to step down as leader 418
- attacks H G Wells 425
- attacks sectarianism 128
- attempts of others to undermine 243
- attitude to women 62–3, 78–9
- birth of 11, 17
- Budget speech 317–18
- business ventures 182
- campaigns against conscription 115–16
- cartoons of 304, 361, 376, 422
- Chamberlain's relations with 403–4, 406–8
- childhood and youth 11–30
- children of 114, 120–1, 145–6, 172–4, 178, 191, 211–12, 294, 328, 339–40, 423
- death of 428–9
- early political experience 47–54
- economic policies 246
- elected Federal UAP leader 273–4
- elected Labor leader in Tasmania 106, 113–14
- Enid Burnell marries 95
- estate left by 430–1
- European trips 336
- family life 350
- family moves to Ulverstone 17–21
- 'favourite things' 37–8
- Federal aspirations 185–6
- financial difficulties 145
- flying experiences 337–8
- historical assessments of 264–5
- honorary Doctorate of Laws 381
- illnesses and hospitalisations 345, 427–8
- in minority government 166
- in One Big Union movement 137
- injured in car accident 177
- joins Savage Club 296
- Jubilee trip to UK 362–70, 380–1
- leadership qualities 292–3, 321
- leaves Labor Party 8, 237–58
- leaves Scullin Cabinet 5
- looks 'just like the Prime Minister' 339
- Menzies' relations with 324–5
- mourning for 429–31
- national government proposed by 426–7
- New Year's Message 285
- Niemeyer on 225–6
- on abdication crisis 385–7
- on Bruce–Page government 190
- on Commonwealth–State relations 176–7
- on Japanese invasion of China 396
- on Tasmanian education system 48–9
- oratory skills 51–2, 57, 309
- pacifist leanings 110, 390–1
- 'personality cult' 338–43
- Pib Bailey and 36–8
- pragmatism of 171
- Private Member's Bills 124–5
- Queensland tour 344–5
- rapprochement with voters 306–7
- relations with media 329–30
- religious views 93–4
- resigns from Federal ALP 237–58
- retirement plans 423
- socialist views 71–6, 135
- speech to National Federation 277
- stress hastens death of 389, 414
- successors to 425–6
- supports loan conversion 240
- supports nationalisation 71
- Tasmanian Labor censure motion against 252–3
- teaching career 26, 32–4, 58–9
- trade policies 356–77
- US non-aggression pact proposed by 393–4
- vice-president of United Irish League 107
- WA campaign tour 343–4
- Lyons, Kathleen (JL's daughter) 121, 446
- Lyons, Kevin (JL's son) 146, 298, 425, 427
- Lyons, Lynette (JL's niece) 367, 448
- Lyons, Mary Ann (JL's aunt) 14, 17
- Lyons, Mary Geraldine 'Jude' (JL's sister)
 - at JL's wedding 95
 - at Stanley State School 23
 - birth of 17
 - 'favourite things' 38
 - passed over for teaching 42

Index

- remains with parents 80
- Lyons, Mavis (JL's sister-in-law) 146, 212, 310, 367
- Lyons, Michael (JL's father) 7
 - background 12–14, 16–21
 - guarantor for JL's debts 59
 - influence on JL's views 71
 - returns to Stanley as labourer 25
- Lyons, Michael Snr (JL's grandfather) 14–17
- Lyons, Moira (JL's daughter) 145, 339
- Lyons, Oswald 'John' (JL's brother) 17, 19, 23
- Lyons, Peter (JL's son) 84, 294
- Lyons, Peter Jnr (JL's grandson) 427, 446–7
- Lyons, Rosemary (JL's daughter) 191, 432, 446
- Lyons, Sheila (JL's daughter)
 - accompanies JL on flight 338
 - birth of 120
 - cares for siblings 423
 - media interest in 340
 - on family life 172
- Lyons, Thomas Snr (JL's uncle) 13–14, 16
- Lyons, Thomas 'Tom' (JL's brother) 18, 23, 28–9, 80, 146
- Lyons Federal Coalition government
 - disunity in 422–3
 - JL's leadership style 418–19
 - ministerial reshuffles 411–12
 - preparations for war 396–9
- Lyons Federal UAP government 284, 288
- Lyons Museum 433
- 'Lyons Party' proposed 260–1, *see also* United Australia Party
- MacDonald, Malcolm 403, 405
- MacDonald, Ramsay
 - JL compared with 393–4
 - JL meets with 364, 369
 - national government 321–2
 - splits with UK Labour 278
- MacDonogh, Giles 412
- Macintyre, Stuart 187, 265–6
- Macklin, Graham 397
- Macmillan, Harold 402–3
- Maddison, Angus 6
- Mahon, Hugh 130–1
- Mahoney, William 188, 233
- Majurinen, Aimee 448
- Makin, Norman 309
- Maloney, Parker 235–6
- Manchester Mission to Australia 373
- Manchurian Occupation 303, 357–8
- Mann, Tom 67
- Mannix, Daniel 112, 116, 126
- Maribyrnong (Victorian Federal electorate) 282
- Mariposa* 340
- Maritime Industries Bill (Cth) 189
- Marshall, Alexander 130
- Martin, Allan
 - on Enid's ambitions 294
 - on Jubilee trip 368–9
 - on *Kyeema* crash 417
 - on Menzies speech 415
 - on Menzies succession 348
 - on Nazi threat 403
- Martin, George 80, 85
- Massey–Greene Tariff Revision 372
- Masters, Joseph 29–30, 34, 42
- Mathias, Lalita 449
- Matson Steamship Line 335
- Maxwell, George 288–9
- Mayer, Henry 9
- McCay, Delamore 329
- McCoy, William 89, 95
- McDonald, James 148
- McDougall, Frank 352
- McFarlane, Stuart 343
- McGinness, Paul 337
- McGrath, Charles 253, 256
- McGrath, Rosemary Lyons 191, 432, 446
- McGuinness, Phillipa 449
- McKenna, Frank 288, 363, 379
- McPhee, John 179, 181–2, 192, 296
- McSwiney, Terence 131
- McTiernan, Edward 245
- McWilliams, Bill 211
- meat exports 374–6, *see also* primary industries
- media
 - British, interest in Lyons couple 368–9
 - Enid's relations with 266–7
 - in new party campaign 265
 - JL's relations with 260–1, 287–8, 329–30, 338–9
 - Lang's relations with 276

Joseph Lyons

- radio stations 332–3
- reaction to Lyons as PM 285–6, 333–4
- Stevens' use of 320–1
- US, interest in Lyons couple 371
- Melbourne, A C V 377
- Melbourne, Lyons homes in 212
- 'Melbourne Agreement' 221–2
- Melbourne Cup 20–1, 214–15
- Melville, Leslie 232, 305
- Menzies, James Leslie 324
- Menzies, Pattie 363, 368
- Menzies, Robert, *see also* Group of Six
 - attacks Lyons administration 414–23
 - Bruce's relations with 368
 - campaigns for UAP in Tasmania 282
 - dislikes Canberra 342
 - drops support for JL 354
 - forms Liberal Party 271
 - in new party campaign 272–3
 - JL's relations with 267, 324, 339
 - Jubilee UK trip 363, 366
 - leadership aspirations 320, 323–4, 352, 413–14
 - meets Enid Lyons 295
 - new party negotiations by 251, 262
 - on coalition with Country Party 290
 - on Enid's speeches 263
 - on JL as parliamentarian 286, 309
 - on JL's over-exertion 345
 - on JL's overseas trips 368–9
 - on JL's reserve 340
 - on leadership 416
 - on Nazi Germany 402–3
 - 'Pig-Iron Bob' nickname 420
 - promotes secondary industries 397
 - resigns from Cabinet 423–5
 - supports loan conversion 240–1
 - supports National Insurance Scheme 421
 - trade negotiations by 375
 - wins UAP leadership 9, 432
- Menzies Coalition government 432
- Meredith, George 173
- Mersey Vale Memorial Park Lawn Cemetery 430
- Methodism, Enid converts from 92–4
- Miles, Jack Bramwell 401
- Miller, Walter 90
- Millmow, Alex 202, 231, 300, 448
- Mills, Richard 305
- mining and minerals 28, *see also* primary industries
- Mobilisation Agreement 232
- Moffatt, Jay Pierrepont
 - as US Consul to Sydney 329
 - on economic conditions 372–3
 - on Enid's influence 341
 - on JL's relations with media 319–20
 - on trade relations 356
 - promotes steamship line 335
- Money Bills 159–61
- moratorium on Tasmanian debts 101
- Morgenthau, Henry Jr 371
- Morte d'Arthur* 40
- Moyal, Ann 394
- Mt Balfour, Tasmania 28
- Mt Lyell Company 29
- multi-member electorates 53
- Mungana Mines enquiries 4–5, 208, 217, 278–9
- Munich Agreement 392, 407–8, 411, 419, 425
- Munnings, Adeline 79, 90
- Murdoch, Elisabeth 447
- Murdoch, Keith
 - alienated from UAP 354, 413
 - backs citizens' groups 6
 - economic policies 243–5
 - Enid writes articles for 341
 - links with Group of Six 242
 - moves into radio 334–5
 - on coalition with Country Party 290, 308
 - on new party campaign 263–4
 - on political instability 248
 - on Scullin cable leak 257
 - on Treasury portfolio 241
- Murdoch, Peter 150
- Murnane, Paul 448
- Murphy, Kate 163
- Murray, Lee 262–3
- Murray, Tom 320, 354, 427–8
- Mussolini, Benito
 - African ambitions 364–5
 - condolence message 429
 - envoy from 365–6
 - forms Axis 388
- JL's relations with 303, 332, 394, 403–5
- Nairn, Bede
 - on anti-Semitism 210, 223–4
 - on Lang campaigns 228

Index

- on Lang letters 247
- on Lang's downfall 301–2
- on Lang's response to Depression 261
- on miners' strike 198–9
- Nanking Massacre 396
- Nathoo, Viren 449
- National Insurance Scheme 411–12, 421–3
- National Labour Party (UK) 278
- nationalisation, as Labor policy 134
- Nationalist Party
 - dissolved into UAP 270–5
 - election victories 132–3
 - foundation of 115
 - in Tasmania 153
 - Labor defections to 125–6
 - leadership of offered to JL 251
 - loses government in WA 344
 - loses grip on Federal government 186
- Navigation Act 1912* (Cth) 167, 175–6
- Nazi Germany 392, 402–8
- Ne Temere* 93
- Neale, William
 - education enquiry 42–4
 - education reform under 48–9
 - growing unpopularity of 58–9
 - recommends transfer for JL 46
 - retires as Director of Education 65
- Needham, Andrew 48
- Nettlefold, Jack 272–3
- Nettlefold, T S 'Tom' 342–3, 353
- New Deal (US) 314, 330–1
- 'New Education' 42
- New England New State Movement 6, 301, 343
- New Guard movement 6, 301–3, 326
- 'New Protection' 72
- New South Wales, *see also* Lang, Jack; State elections
 - Bavin Nationalist government 206
 - defaults on interest payments 276
 - financial crisis 299–300
 - industrial relations policy 133–4
 - new party campaign in 272
 - over-represented in Scullin caucus 205–6
 - State elections 226, 228–9, 302–3
- New Town, Tasmania 146, 165, 174
- New Year's Message 285
- Newman, John Henry 94
- Nicholls, Herbert 129, 150–2, 160–2, 166
- Nicholson, Harold 402
- Niemeyer, Otto 214, 218–26, 228, 231
- Norris, C A 241, 354
- Northern Colliery Proprietors Association 188
- NSW Government Savings Bank 5
- NZ Socialist Party 67
- O'Brien, Matt 65
- O'Connor, Fiona 288
- O'Donnell, T J 'Tom' 94–5, 110–12
- Ogden, James
 - as Tasmanian Minister for Mines 107
 - conservatism of 135, 148
 - death of 299
 - election campaigns 63
 - moves to Federal Senate 185
 - on Earle Tasmanian Labor government 81
 - recognises Enid from photo 91
- Ogilvie, Albert
 - as Tasmanian Attorney-General 155–6
 - as Tasmanian Opposition leader 346
 - at JL's funeral 430
 - Constitution Amendment Bill 163
 - economic policies 176
 - hosts supper 164
 - in 1928 election 181
 - leadership aspirations 175, 184
 - reconciled with JL 355
 - resigns after scandal 178–80
 - socialist views 135–6
- Ogilvie, E D 225, 252
- O'Grady, James 163, 166–7
- O'Keefe, Dave 68
- O'Keefe, Mick 80, 177
- Okines, T A 178
- Olson, Lynne 402, 405
- O'Malley, King 68–9
- One Big Union movement 135–7
- O'Neill, Esther 392
- Ostenberg, J 108
- Otranto* 336, 366
- Ottawa Agreement
 - benefits of 365
 - limitations of 358
 - opposition to 307–9, 322–3
 - reform based on 356
 - WA disadvantaged by 344
- Our Lady of Lourdes Church, Devonport 430

Joseph Lyons

- Pacific Pact 392–6
Page, Earle
 as acting PM 414–15
 as deputy PM 149
 at JL's deathbed 428
 becomes caretaker PM 431–2
 Cabinet dominance 424
 cartoon of 304
 coalition negotiations with 347–8
 Gullett opposed to 322–3
 JL meets with 155, 158
 JL's debates with 207
 on new party negotiations 269
 on Ottawa Agreement 307–8
 phone communication with 336
 relations with UAP 289–90
 seeks Hughes' removal as PM 148–9
 support for Bruce 319
 supports loan conversion 240
 trade negotiations by 375
 under Menzies 432
Palamountain, John 48, 58
Parkes (NSW Federal seat) 245–8
Parkhill, Archdale
 as Defence Minister 398
 background of 297
 dominates AFA 268–9
 in Lyons Ministry 291
 leadership aspirations 352
 loses seat 401, 413
 parliamentary performance 319–20
Paterson, Tom 347
Paul, Marion (JL's niece) 448
Payne, Herbert 52, 157
Pearce, George
 as Defence Minister 398
 at Premiers' Conference 276
 campaigns against WA secession 343
 in Lyons Ministry 291
 loses seat 413
 on Curtin 400–1
 on JL's leadership 293–4, 296–7
 on trade with Japan 357–8
 on trade with US 370
Perkins, William 29–30
Perth, Tasmania 50
Peterson, Stuart 422
Phar Lap 214–15
Philip Smith Teachers College 47
Phillips, Derek 49
photography, development of 338–9
Pink, Kerry 28–9
Pioneer School, Tasmania 46
Pithouse, Horace Bond
 congratulates JL on winning Wilmot 192
 JL campaigns with 56
 meets JL at Smithton 44–5
 on JL's youth 21, 35
 'Reminiscences of the Late Prime Minister' 18
Pittman, Kay 371
Pius XII, Pope, sends condolences 429
Plan for Economic Adjustment 231
Playford, Tom 286
Political Labor Conference, Victoria 124
Port Moresby 410
Postmaster-General portfolio
 covers radio licences 334–5
 JL's handling of 2, 194–7, 204, 206–8, 216
Poukchanski, Anya 449
Pratt, Ambrose, *see also* Group of Six
 in Savage Club 242
 JL's relations with 354
 negotiations with JL 262
 negotiations with Latham 269
 supports JL's leadership 275
Pratt, Mel 21, 74
preferential voting 140
Premiers' Conferences
 1915: 95–6
 1923: 157
 1930: 221–2
 1931: 276–7
 1932: 301
 1938: 414–15
 Earle attends 103
 Special Conference 1938: 414–15
Premiers' Plan of 1931:
 enforcement of 305
 JL supports 201–2
 Keynes' praise for 313
 negotiations for 276–7
 NSW repudiates 299–300
 Scullin endorses 242
 success of 314
 Theodore and 5
Price, Jack 288, 291, 346
Price, John 253
Pridmore, Mary 36, 446
primary industries 28, 374, 420–1, *see*

Index

- also* commodity prices
- Privy Council, JL appointed to 381
- proportional representation 53, 70
- Propsting, William 42–3, 51, 60
- protectionism
 - and US trade 372
 - as Country Party policy 289
 - Cook opposes 70
 - Deakin supports 70
 - JL's early support for 44
 - 'New Protection' 72
 - Tariff and Industrial Policy 233
 - UAP policy 278
 - under Lyons 305–7, 316–17, 365
 - under Scullin 195, 197
- Protestantism, *see* Methodism;
sectarianism
- public service 45, 234, 286–7
- Qantas, formation of 337
- Quadruple Treaty for Peace in the Pacific 395
- Queensland, under Lyons 344–5
- Quick, Di 449
- radio stations 334–5, 338, 410, *see also*
media
- Railways portfolios 87, 149–50, 204
- recruitment drives 109, 297, 410–11
- Red Cross, Enid fundraises for 100
- Reform League, Tasmania 52
- Regos, Este 449
- Reid, George 368
- 'Reminiscences of the Late Prime
Minister' 18
- Reserve Bank, opposition to 220
- Resleigh, Dorothy J 273
- Reynolds, John 123, 144
- Richards, B 260
- Richards, Lyn 448
- Ricketson, Staniforth, *see also* Group of
Six
 - in UAP formation 271
 - JL's relations with 354
 - negotiations with JL 250–1, 262
 - on Australian debts 218–19
 - on JL's domestic life 266
 - on new party campaign 267
 - on political instability 246
 - supports loan conversion 239–42
- Ridge, Commissioner 73
- Riordan, Darby 248
- Riordan, David 191
- Riverina Movement 260
- Roberts, E E 273
- Roberts, Glyn 43
- Robertson, John 187, 190, 205
- Robson, Lloyd
 - on anti-German sentiment 108
 - on cliques 164
 - on education 42–3, 48
 - on second Lyons Ministry 180
 - on Tasmanian Labor 68
 - on Tasmanian public sentiment 156
 - on *The Clipper* 54
 - on United Irish League 107
 - on working conditions and pay 67
- Roe, Michael 136, 355
- Roosevelt, Eleanor 371, 393
- Roosevelt, Franklin D
 - condolence message 429
 - impressed by Mussolini 367, 405
 - JL compared to 330
 - JL meets with 332, 371, 392–3
 - supports Chamberlain 408
- Roper, Daniel 371
- Rosevear, John 347
- Ross, Andrew 335–6, 372, 398–9
- Rowntree, Gilbert 48
- Royal Commissions
 - Public Debts and Sinking Fund 101
 - Tasmanian disadvantage 158
 - Tasmanian education 49–50, 58, 65
 - Tasmanian fisheries 156
- Ruskin, John 92
- Ryan, Martin 128–9
- Ryrie, Granville 326
- Sacred Heart Catholic Church, New
Town 165
- Sadler, Robert 64
- Sane Democracy League 264, 272
- Santamaria, Mr 127
- Savage, Michael Joseph 364, 384
- Savage Club 241, 296
- Schedvin, C B
 - on 1920s stagnation 142
 - on economic crisis 199, 205
 - on Gibson 201, 203
 - on JL's broadcasts 239
 - on JL's leadership 315–16
 - on Theodore 233–4

Joseph Lyons

- Scorfield, Ted 196
- Scott, John 23, 25–6
- Scullin, Jim
- as Federal Labor leader 187–8
 - as Opposition leader 299
 - as Prime Minister 194, 341
 - cables to JL leaked 257, 261
 - cartoon of 304
 - economic policies 231–2, 234–6
 - election campaigns 190–1, 282
 - governs from sickbed 226–7
 - invites JL to enter Federal politics 2, 183
 - JL's relations with 215, 274, 352–3
 - Murdoch loses faith in 242
 - return to Australia 244–6
 - UK trips by 4, 215, 217, 226–7
 - 'want of confidence' motion in 253
- Scullin, Sarah 341
- Scullin Labor government 204–10
- challenges for 243–4
 - collapse of 275–83
 - economic policies 202–3
 - industrial relations policy 198–9
 - loses to UAP 1–3
 - problems for ALP during 4–5
 - protectionism under 306–7
 - talents of 204–10
- secondary industry, growth in 372–3, 396–7
- sectarianism, *see also* Catholic Church; Methodism
- and political affiliation 280–1
 - distrust of Catholics 107
 - in Catholic movements 296
 - in Tasmania 126–33
 - Labor policy on 122–7
 - regarding JL's marriage 90, 92–6
- Senate, opposition to Labor in 195, 346–7
- separatist movements 343–4
- Serle, Geoffrey 381
- 'Seven Points' policy 262
- Shamrock Inn, Stanley 16
- Shann, Edward 187, 232, 305–6
- Sheehan, Henry 'Harry' 287
- Sheridan, Bill 63, 129–30
- Shields, Tasman 176
- Shlaes, Amity 6, 330
- Shoobridge, Bill 191
- Silver Jubilee celebrations (UK) 362–70, 378
- Simpson, Ernest 383
- Simpson, Wallis 383–8
- Singapore naval base 395
- Sissons, D C S 358, 373, 376
- Six, Group of, *see* Group of Six
- Smith, Alfred House 14
- Smith, Charlotte Lyons 14, 16
- Smithton, Tasmania 44–6
- Smoot–Hawley Tariff (US) 306
- Snow, Sydney 354, 413
- Socialisation Unit 210
- socialism, Labor links to 59–60, 133–40, 170–1
- Soldiers and Citizens Party 260
- Solomon, Albert 81, 96
- South Australian Emergency Committee 269
- South-East Asia, trade relations with 357–60, *see also* Japan
- Southern Cloud* 259
- Spanish Civil War 394
- Sparkes, Gordon 317
- Speakers' Handbook* 401
- Spender, Percy 401
- St Christopher's Church, Canberra 341
- St Francis Church, Melbourne 238
- St Joseph's Catholic School 19
- St Vincent de Paul Society 125
- Stanley, Tasmania 11–12, 66
- Stanley State School 19, 21, 25–6
- State elections
- NSW, 1930: 226, 228–9
 - NSW, 1932: 302–3
 - Tasmania, 1909: 56–67
 - Tasmania, 1912: 75–6
 - Tasmania, 1913: 85–6
 - Tasmania, 1915: 127–8
 - Tasmania, 1916: 87, 104–5, 123
 - Tasmania, 1919: 131–2
 - Tasmania, 1922: 121, 139–40, 143
 - Tasmania, 1925: 166–71
 - Tasmania, 1928: 105, 181
 - Victoria, 1935: 336
 - WA, 1933: 343–4
- State War Council, Tasmania 109
- Statute of Westminster 1931* (UK) 363–4, 380, 384
- Stevens, Bertram 303, 319–21, 323, 413–14
- Stewart, Frederick 308, 323, 414
- Strahan, Frank 287

Index

- Street, Geoffrey 410, 419, 425
Stricht, Robert 29
strikes, *see* industrial action
Sudetenland takeover 406–8, 412
Summers, Anne 241
super-duties reformed 306–7
Swansea, Tasmania 31–2
Swanston, Jack 363
Sydney Harbour Bridge opening 302
- Taggett, Harry 82
Taggett, Louisa 82–3, 111
tariffs, *see* protectionism
Tasmania, *see also* names of
 administrations; State elections;
 teaching in Tasmania
 conservatism of 164
 feelings about JL in 355
 in 1850s 14–15
 industrial relations in 67
 Irish immigration to 12–13
 JL campaigns for UAP in 283
 JL's burial in 430
 MP's salaries in 59
 perceived disadvantage of 101–2,
 154–7
 politics in 52–5
 Postmaster-General portfolio 2,
 194–7, 204, 206–8, 216
 primary industries 28
 recruits from rejected on health
 grounds 98
 Treasury portfolio 99–102
 under Lyons 152–82, 216
 votes 'yes' on conscription plebiscite
 113
Tasmanian ALP 67–71
 becomes official Opposition 64
 electoral gains 60–1
 Enid's involvement with 121
 growth of 45, 51
 JL elected State President 81
 reorganised by Federal intervention
 149
 sectarianism in 122–7
 socialist views 71, 135
 split by conscription issue 105–18
Tasmanian ALP Conferences
 1909: 68
 1917: 114
 1918: 117, 122
 1921: 137–8
 1922: 148
 1931: 252
Tasmanian Department of Education
 24–5, 41–6, *see also* teaching in
 Tasmania
Tasmanian Developmental Advisory
 Board 156
*Tasmanian Disabilities: Report of
 Committee 1925:* 102
Tasmanian Labor Federation, *see*
 Tasmanian ALP
Tasmanian Rights League 167
Tasmanian Trades Hall 180
Tasmanian Wages Board 72–3
Tattersall's lottery revenue 158, 173
Teachers College, Hobart 46–7, 75
teaching in Tasmania
 anti-German sentiment 108
 equal pay for women 79
 JL campaigns for 61, 75
 Royal Commission into 49–51
 salary cuts 147–8
Teasdale, Ann 447
technological change under Lyons 332–6
telephone services, growth in 336
Temple, Shirley 340
tennis courts in Canberra 342–3
The Bulletin 291–2
The Clipper 53–5, 69
The Coastal News 21
The Mercury, *see* *Hobart Mercury*
The World 136
Theodore, Ted
 as Treasurer 194–5, 197, 204–5,
 229–30, 232, 234, 275
 censure motion by 189
 economic policies 8, 235
 fails to win Federal seat 186
 JL opposes return of 238, 254
 Lang and 3, 210–11, 242
 loan conversion scheme 277
 loses seat 283
 loss of support for 243–5
 moves to Federal politics 188
 Mungana Mines enquiries 4–5, 208,
 217, 278–9
 NSW support for 216–17
 resigns as Treasurer 220
 rise and fall of 207–8
 Scullin's relations with 247, 257–8

Joseph Lyons

- supports Lyons campaign 170–1
- Thomas, J H 367
- Thorby, Harold 363, 398
- Threlfall, Martin 265, 288
- Tiernan, Anne 333
- Town and Country Party 167
- Townsley, W A 159
- Tracey, Ray 306, 427
- trade policies, *see also* protectionism
 - under Lyons 278, 356–77
 - under Page 289, 347–8
- transportation of convicts to Tasmania 15
- Travers, John 128
- Treasury portfolio
 - Casey in 351–2
 - in Tasmania 87, 99–102
 - JL acts in 207, 216–17
 - JL issues Treasury Bill 223
 - JL takes on for UAP 291
 - Theodore in 194, 204–5
- Treaty of Friendship, Commerce and Navigation with Japan 373
- tuberculosis, in Tasmania 66, 124–5
- Tullah, Tasmania 41, 43
- ‘Tune in with Britain’ 281–2
- Turnbull, Clive 409–10
- Turnbull, Ernest 272–3
- Turnell, Sean 352
- Ulm, Charles 337, 340
- Ulverstone, Tasmania 17–21
- Ulverstone State School 19
- unemployment
 - during Great Depression 6, 230–2
 - during WWI 98
 - factor in JL’s split with Labor 256
 - in Australia 198–9
 - in Tasmania 169, 181
 - under Lyons 284–5, 316, 332, 372–3
 - under Roosevelt 332
 - under Scullin 195–6
- Union Hotel, Stanley 16
- United Australia Movement 272, 421–3
- United Australia Party
 - after Lyons 319
 - broadcasting licence 335
 - coalition negotiations 288–90
 - collapse of 432
 - economic policies 314
 - first election campaign 281–2
 - formation of 3, 270–5
 - loses majority 346–7
 - ministerial reshuffles 411–12
 - reaction to Menzies speech 417–18
 - time in office 399–400
 - wins government in NSW 303–4
- United Irish League 107
- United Kingdom
 - Australian loyalty to 379–80
 - Bruce as High Commissioner to 300–1
 - defence policies 397
 - Labour splits in 278
 - loans from 103, 218, 234–5
 - Lyons’s Jubilee trip to 362–70
 - national government 321–2
 - trade relations with 369
- United Nations 402
- United States
 - alliance with 393–4
 - growth in 1930s 6
 - isolationist policies 391–2
 - JL’s reputation in 371
 - Lyons’s Jubilee trip to 370–1
 - protectionism 306
 - response to Depression 314, 330–1
 - trade relations with 318, 370–7
 - unemployment in 6
- upper houses, *see* Legislative Council, Tasmania; Senate
- USSR, pact with Nazi Germany 392
- Van Diemen’s Land Company 12, 15, 57
- Vendetta* 430
- Ventnor boarding house, Hobart 79–80
- Versailles Treaty 394, 403
- Victoria, State elections 336
- Victorian Labor Party 123
- von Bibra, Leopold 73
- von Bibra, Will 75–6
- Waddamana Power Station 143–4
- Walch, Aida 35–6, 39–40
- Walch, Charles Morrice 39
- Walch, Fanny 39
- Walch, Garnet 39
- Wallace, Henry 371
- war graves, Lyons’s visit to 390–1
- War Precautions Act 1914* (Cth) 109
- Ward, Eddie 249
- Waterworth, Edith 168
- Watt, R 359

Index

- Watt, William 240
Weindorfer, Gustav 108
Weller, Patrick 53, 256, 333, 336
Wellington Square School, Tasmania 50
Wells, H G 425
Wesley Vale, Tasmania 62
West, John 249
Western Australia, separatist movements 343–4
White, H B 163
White, Hilda 78
White, Kate
 acknowledgments 448
 on education policies 43–4
 on JL's early work 21
 on JL's teaching career 29
 on Michael Lyons' gambling 20
White, Thomas 397, 412, 417–19
White Australia policy 27
Whitsitt, Joshua
 as Independent 81, 96
 at JL's wedding 95
 JL's exasperation with 100
 on JL's ambition 103–4
 retains seat in 1916: 104
 supports conscription 110
Williams, John 250
Willis, E H 324–5, 426–7
Wills, Ernest 272
Wilmot (Tasmanian electorate) 2, 56–76, 191–2, 281
Wilson, Roland 287
women
 become eligible to stand for Parliament 168
 in Workers' Political League 68
 JL supports equal pay for 58, 75, 79
 JL's appeal to 62–3, 78–9
 role in new UAP 273
 William Burnell on 84
Woods, Walter 63, 71
Woolnoth, Tasmania 14
Wootton, Janice, *see* Lyons, Janice
Workers' Political League, *see also* Tasmanian ALP
 first branches formed 45
 JL's involvement with 41, 71
 policy on sectarianism 123, 127
 recruitment for 68
Works portfolio, JL appointed to 204
World (Labor newspaper) 69
World War I 97–118, 359, 362–3, 390–1
World War II, approach of 389–408
Wren, John 188
York, Duke and Duchess of 178
Young Nationalists 24